

**NATIONAL  
TRADING  
STANDARDS**

Protecting Consumers  
Safeguarding Businesses

# **ANNUAL REPORT**

**2015-2016**

## Contents

Introduction	3
Programme Office, Policy and General	4
Feed Funding Delivery Programme	8
Food Standards Sampling Delivery Programme	16
Intelligence	18
National Tasking Group	24
National Trading Standards eCrime Team	28
National Trading Standards Illegal Moneylending Teams	34
National Trading Standards Safety at Ports and Borders Teams	45
National Trading Standards Scambuster Teams	56
National Trading Standards Scams Team	68
National Trading Standards Estate Agents Team	75
Advertising Standards Authority	78
Annex 1 Programme Office Structure	80
Annex 2 Funding 2015/16	81
Annex 3 Key Performance Indicators	84

## Chapter 1 - Introduction

This report outlines the work that has been undertaken and commissioned by National Trading Standards (NTS) and its teams between 1 April 2015 and 31 March 2016. The financial report is provided under separate cover by the Chartered Trading Standards Institute (CTSI). The NTS Board ("the Board") set the following Strategic Priorities for 2015/16.

Protecting Consumers – Safeguarding Businesses				
Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
Ensure effective governance arrangements for the work of NTS, which will also enable us to clearly demonstrate the importance and effectiveness of NTS to our partners, a new Government and the National Audit Office.	Provide a framework for sharing intelligence effectively and efficiently in order to identify and tackle emerging threats	Ensure effective delivery of national and cross boundary enforcement projects	Lead the coordination, collaboration and communication of local, regional and national consumer protection enforcement	Deliver a programme of animal feed hygiene enforcement to improve the UK enforcement landscape and help ensure the safety of the food chain.

Table 1 – Strategic Priorities 2015 -16

The Board had a National Control Strategy for 2015/16 that was developed having regard to the National Strategic Intelligence Assessment. It helped inform and direct the work of NTS and outlined the priorities for prevention, intelligence and enforcement activities. The Control Strategy also linked the work done locally by trading standards services, to that being done regionally and nationally. The Control Strategy is NOT designed to require local authorities to undertake activities at a local level. This remains a matter for local authority service planning in accordance with local priorities. However, local authority priorities input into the National Strategic Assessment which then influences this Control Strategy.

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.

**In 2015/16 National Trading Standards Teams and workstreams delivered the following:-**

- 13507 Feed interventions
- A reduction in poor or variable feed premises.
- Dealt with over £93 million in consumer and business detriment
- Had 77 people convicted of offences
- Courts imposed fines of over £215,000
- Prison Sentences totalling over 161 years were handed down.

**Since 1/4/2014, when all NTS Teams were fully functional, NTS tackled £345 million in detriment for a core spend of £27.3 million. So £12.63 impact for every £1 spent.**

Contact Officer: Wendy Martin (Programme Director), wendy.martin@actso.org.uk

## **Chapter 2 - Programme Office, Policy and General**

### **2.1 Programme Office**

The Programme Office for National Trading Standards (NTS) is provided by ACTSO Ltd. It is funded from a grant from the Department for Business Innovation and Skills (BIS) and funding from FSA to support the NTS Feed Delivery Programme and a small sum from Defra to provide support for animal health and food expert panels. The Programme Office structure as at April 2015 is shown in Annex 1.

### **2.2 2015/16 Funding**

In total for 2015/16, the BIS grant was £13.52 million, which comprised £13.24 million core grant (same as for 2014/15) plus an additional £225,000 provided for work on copycat websites. Additionally a further £56,000 was provided in year, to help support the costs of the NTS Estate Agents Team judicial review. Feed funding was reduced by 1% for 2015/16. The Board agreed its allocations for 2015/16 and these are shown in Annex 2. In relation to the BIS grant, this involved a key shift in re-allocations of its deployable enforcement budget in line with priorities outlined in the strategic assessment.

### **2.3 Governance Structures**

The Board has established governance groups for each key work area. The governance groups comprise 2 or more members representing the Board (either full members or deputies), relevant project leads and support from a Programme Office member of staff. These provide the main oversight and drive for the work within each project area. The full Board is advised of progress at regular intervals and matters requiring decision or steer at Board level are referred up to them. In January, NTS rationalised some of its governance structures to ensure that the oversight provided was proportionate to risk and made the terms of references more flexible to enable a wider group of nominees if required. This is to ensure the Board can balance continuity, experience, fresh ideas and the increasing work demands on Heads of Service. A revised and simplified governance map is available on the NTS website. This outlines the key structures and accountability mechanisms plus information on how to obtain further detailed information if required.

### **2.4 Consumer Protection Partnership<sup>1</sup>**

The Consumer Protection Partnership was a priority work area for 2015/16. The Chair and Programme Director participated in the Strategy Group. The Programme Manager supports the Operational Group. Grayling, NTS's communications experts, participate in the Communications Group. This Partnership assists in ensuring two way communication and two way influence when setting overall priorities.

The final report on Doorstep Crime for the CPP was agreed by the NTS Board in September. The National Tasking Group has tasked the work relating to safeguarding to the NTS Scams Team and regions are being asked to refer up further work in relation to intelligence gathering on doorstep crime.<sup>2</sup> Doorstep crime remains one of the key priorities for NTS.

NTS led on the CPP workstream for on line markets and subscription traps<sup>3</sup>. Two problem profiles were completed by the NTS Intelligence Team and a legal opinion was obtained to clarify the law in this area.

---

<sup>1</sup> BIS KPI 1b

<sup>2</sup> BIS KPI 2aii

<sup>3</sup> BIS KPI 1b

In early 2016-17 it is hoped to finalise an agreement with banks and building societies<sup>4</sup> to make it simpler for consumers to cancel and obtain refunds for unauthorised payments in relation to subscription traps. This will be shared with all local authorities and partners once completed.

## **2.5 Communications and Media**

The Board commissioned Grayling to provide communications support for 2015/16 whilst continuing with its arrangements for reactive media support via CTSI.

Pro-active work this year has been focussed on scams awareness month (July 2015) and a consumer harm report based on the 2014/15 annual report which was published in the autumn. There was significant coverage in relation to copycat websites and Operation Jasper and many press releases following successful Scambuster cases<sup>5</sup>. Over Christmas there was an enormous amount of coverage on hoverboards. This received unprecedented international media coverage and has been submitted for a media award. Grayling also assisted with a flyer aimed at TS practitioners to explain the work of NTS and how it can support and assist local TS work<sup>6</sup>. This was launched at CTSI conference in June and issued to all local authorities. The National Consumer Week award entry for the work carried out in relation to doorstep crime last autumn, won a Public Sector Communications Award<sup>7</sup>.

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

In June 2015, a public facing NTS website was launched. This was designed as a low cost facility to provide basic information about the role, governance and work of NTS.

## **2.7 CTSI Conference<sup>8</sup>**

NTS showcased its work on a 'hub' of four stands at this year's CTSI Conference in Bournemouth. Throughout the event the NTS Programme Office staff were supported by colleagues from the e-Crime, Estate Agents, Illegal Money Lending, Intelligence, Ports & Borders, Scams and Scambusters Teams who were available on the stands to answer delegates' questions.

Every Team and the Feed Hygiene Programme provided information for a newsletter or infographic to illustrate their work and recent successes. These were available on the stands and were circulated via email after the event.

This provided a focal point for trading standards colleagues to meet and enabled numerous new contacts to be made. Having the Teams all together furthered relationships forged last year, helped to bring everyone together, and again the joint branding emphasised that all the Teams are part of the NTS' work.

## **2.6 Support to BIS**

The Programme Office continues to provide BIS with support in answering parliamentary questions, freedom of information requests, Ministerial correspondence and press enquiries.

---

<sup>4</sup> BIS KPI 1civ

<sup>5</sup> BIS KPI 1ci

<sup>6</sup> BIS KPI 1cii

<sup>7</sup> BIS KPI 1ci

<sup>8</sup> BIS KPI 1cii

## **2.7 Strategic Policy Work**

The Programme Director continues to provide high level policy advice and briefings to heads of trading standards via the ACTSO network as part of the Programme Office work and also provides support to the ACTSO Chairman. This year the focus has been the various trading standards reviews, Energy Performance Certificates, Investigatory Powers and the Enterprise Bill, defra's farm inspections review, changes to the provision of consumer advice by Cit A, and work with DVLA on information disclosure.

## **2.8 Technical Policy Support**

### **Food and Feed**

As part of NTS funding from the Food Standards Agency, we provide support to three technical food and feed groups. Details of this work is contained in Chapters 3 and 4 as it links to the food and feed delivery programmes.

### **Product Safety**

Following BIS's decision that they were unable to fund a second day of support for 2015/16, and their desire to refocus some of the work of the group and potentially rationalise other BIS safety related groups, BIS has now started to provide support to the group directly. The Programme Office assisted with handover arrangements and continued to assist with the management of the k hub until March 2016. After this point the Programme Office will not be providing technical policy support to this group due to a refocus of budgets.

### **Fair Trading**

The Board continued to support up to 1 day per week technical policy support for the Fair Trading Expert Panel until March 2016. After this point the Programme Office will not be providing technical policy support to this group due to changes in planned budgets.

The Panel consists of a representative from Wales and each of the regions in England, together with standing invitations to representatives from Scotland and CTSI. The purpose of the group is to act as liaison between local authorities, regions, central government and other stakeholders and to provide guidance and technical expertise to facilitate consistency of enforcement and to encourage engagement with EU bodies and agencies.

Two representatives from the Primary Authority Supermarkets Group attended the last meeting to discuss self-verifying checks by companies; shelf edge labels (sizing and other labelling) issues; the confusion of weight/marked pricing caused by current Weights & Measures legislation; and the training of staff and enforcement of the carrier bag charge prior to implementation in England in October 2015.

Throughout the year the Panel provided opinions to the Department for Business, Innovation and Skills and Consumer and Markets Authority (CMA) on the Unfair Contract Terms and Consumer Rights Act legislation and the progress of the Alternative Dispute Resolution regime; and the new Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 and those it superseded. The problems of confusing and misleading pricing and pack sizing specifically featured in the Panel's comments to the CMA about the Which? Super Complaint. The panel also answered trading standards officers' queries and the Panel responded to a Call for Evidence on Secondary Ticketing and commented on the Chartered Trading Standards Institute's Pricing Practices Guidance.

## **Animal Health**

ACTSO provide 3 days per week support for animal health and welfare work, funded by Defra, using the Programme Office infrastructure.

ACTSO provided national representation and coordination for local authorities in responding to one disease outbreak during 2015-16 for an outbreak of highly pathogenic avian influenza in Lancashire in July 2015. The response involved attendance at National Disease Control Centre (NDCC) meetings and the provision of two-way communication support between Defra/APHA and local authorities. There was an anthrax outbreak in Wiltshire in October 2015, however, NDCCs are not called for anthrax so ACTSO had minimal involvement in the response. ACTSO also liaised with Heads of Trading Standards when suspect cases were notified.

ACTSO believed its national co-ordination and communications role during disease outbreaks continues to work well and local authorities have provided positive feedback about the support and reassurance they receive during outbreaks. ACTSO maintains a specific contact list for senior animal health contacts at local authorities in England and Wales to enable swift communications in the event of an outbreak. This contains information for over 200 animal health lead officers including mobile numbers and emergency out-of-hours contacts and has proven to be an extremely valuable resource.

For 2015/16 Defra instructed ACTSO to produce two additional local authority contingency plan disease annexes for Equine Infectious Anaemia and Newcastle Disease. These complement the existing generic contingency plan and nine supporting disease annexes which were published in February 2015. Additionally ACTSO were asked to oversee the production of guidance for local authorities regarding the use of animal disease outbreak signage.

The Panel has continued to benefit from improved organisation of its operations and administration. Via ACTSO's support, the Panel has improved its presence on the Knowledge Hub which has increased the popularity and usage levels of this forum. Local authorities are encouraged to share questions and information relating to animal health and welfare and the Panel uses the Knowledge Hub to communicate updates on its work back to local authorities.

The National Animal Health and Welfare Panel met on a quarterly basis. Some of the key issues and themes discussed over the last year included:

- Recent disease outbreaks in the UK and the issues and lessons learnt from these experiences. There is growing concern amongst local authorities about their capability to dispose of anthrax carcasses and the health and safety risks this poses to staff.
- Illegally imported puppies continue to be a problem for a number of regions and has created significant debate at Panel meetings.
- The development of two new pieces of guidance: a Regulator's Guide to Bovine TB in England and an Animal Welfare Complaints Protocol.
- The Panel continues to expand its partnership network and has built links with the RSPCA, the National Food Standards Crime Unit, the Royal College of Veterinary Surgeons and the British Veterinary Association over the past year.
- Improvements to the referral process for Official Veterinarians to report animal welfare complaints at slaughterhouses to local authorities. It is hoped improved information sharing will help to reduce the investigation workload for local authorities and provide early and positive interventions with slaughterhouses and hauliers to prevent the need for some welfare cases to progress to prosecution in the future.

## **Chapter 3 - Feed Funding Delivery Programme**

### **3.1 Background**

In April, 2014 the NTS, the FSA and CTSI signed a three year MOU to deliver inland feed enforcement activity and also at points of entry for the period 2014/15 to 2016/17. The aim of this new model is to have a national delivery programme that satisfies the FSA and European Union Food and Veterinary Office (FVO) by the end of 2016/17. Prior to 2014, as a national picture Local Authorities were deemed to failing in their duties to deliver feed enforcement. At one stage, the UK faced 16 FVO recommendations and was on the verge of receiving EU sanctions. In 2011/12 only 44 Local Authorities were engaged with the FSA in respect to feed delivery funding.

A total of £2,996,000 of funding was provided for this work. The programme only applies in England. Separate arrangements have been made in Wales.

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

### **3.2 Overview**

This second year of NTS feed hygiene delivery has again seen success in terms of activities delivered and further work undertaken to promote effectiveness, value for money and address potential gaps in that delivery. Key Achievements included:

- 13,507 activities, 100% of all due activities were achieved.
- 100% of all individual Local Authorities engaged in planning delivery for 16/17.
- The level of compliance in inland feed hygiene premises has increased from 57% to 61% and the level on non-compliance remains stable c.3% over the three years of planning.
- Following the 14/15 development of guidance to implement more risk based activity on 3rd country import surveillance at points of entry; we have achieved a greater focus on irregular (higher risk) imports with 34% of irregular imports identity checked and 5% of regular imports identity checked.
- We have delivered training to 56% of authorities feed lead officers to improve the consistency and application of activity codes and earned recognition.
- We have implemented a network of regional feed leads.
- We have investigated three key intelligence gaps in 15/16; in online sales; disposal of surplus food and the import of nuts for bird feed; the findings have been assessed and work can commence to design appropriate ways to deal with the levels of risk identified.

### **3.3 Feed Delivery 15/16**

		14/15	15/16	16/17
1	No. activities delivered as a % of contracted.	99.6%	101.4%	-
2	No. engaged authorities. (i.e. completed the desktop process)	95%	97%	100%
3	Numbers of non-compliant samples	211/1249 (16.9%)	169/1146 (14.7%)	
4	Total budget spend at year end within 5% of estimated.	3% underspend	2.4% underspend	-

Table 2 – Feed Project Performance Data 2014/15-2016/17

The national picture in year two of NTS delivery is again excellent. We have delivered 99.4% of our budget and 101.3% of activity that was originally planned on 1st April 2015.

A number of regions have under delivered on samples with funding moved to other activity streams, work to develop a better and more focussed approach to sampling will be discussed as part of the FGG strategy for year 3 of the delivery programme.

### **3.4 Patterns of compliance for three years of NTS delivery**

As part of the funding allocation process regions are requested to submit details of the number of premises in their area, for each business type, which fall within certain compliance categories: poor; varying; satisfactory; broad compliance and; satisfactory or above and an Approved Assurance Scheme member.

Data from these submission has been extracted and analysed to review changes in the number of premises falling within certain compliance designations, year-on-year. This is with the aim of seeing general improvement in compliance across the two feed industry sections, work continues at regional and local authority to get this data and its interpretation as consistent as possible.

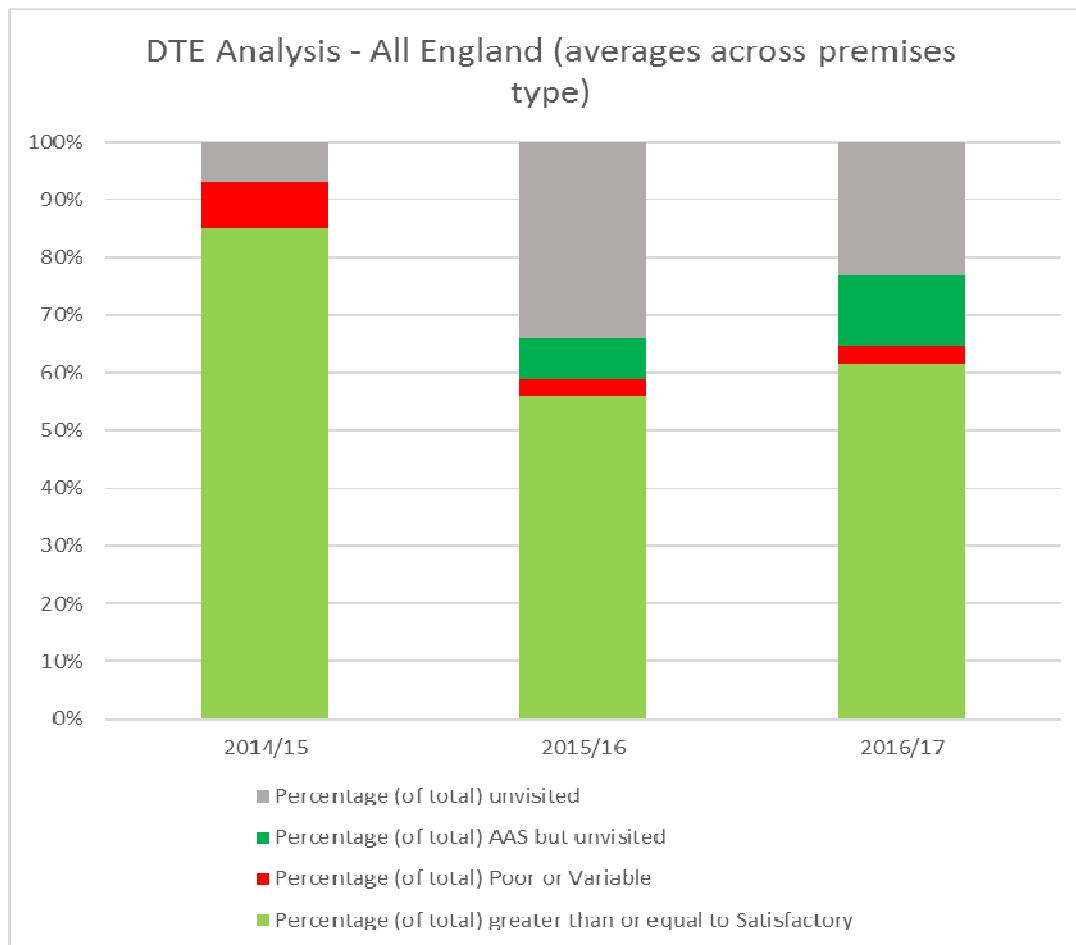


Table 3 – Changes in premises designations from 2014/15 to 2016/17. Data is expressed as averages across premises types (as opposed to 'total' data (see full report)).

### **3.5 Sampling**

□

Numbers of non-compliant samples have decreased in 15/16 as compared to 14/15.

#### **National priority sampling – Coccidiostats & dioxins.**

In 2014, the FVO questioned the degree to which UK feed businesses' systems included appropriate procedures for managing carryover of coccidiostats as a feed additive. NTS began a specific project in 14/15 aimed at working with feed businesses to understand whether the concern was justified.

During the past two years local authorities have worked with selected feed businesses to understand more about how risks of carryover of coccidiostats and veterinary medicines are managed. During 2014/15, local authorities sampled 49 different feed products to give an indication of whether risk management systems were ultimately working. 45% of the final products sampled for carryover of coccidiostats used as additives exceeded the maximum permissible levels. These interim results were concerning and for this reason NTS repeated the exercise as part of the national sampling priorities in 15/16. Compliance increased from 55% in year 1 of the project to 80% in year 2. This is far more reassuring. However, 20% of samples still had carryover levels that exceeded the maximum permitted levels. Direct communication between local authorities and the individual feed mills is ongoing in all cases to ensure issues identified as a result of this work are rectified and risks effectively managed in future. Recommendations have been made to FSA for further work to address this issue with industry representative organisations.

#### **Audit of follow up activity**

NTS commissioned a mini audit of the follow up work undertaken by authorities as a result of a sample of noncompliant samples. NTS does not fund follow up work so this is done at the discretion of local authorities in light of their statutory duties, local priorities and available resources. During 2014/15, 236 samples had unsatisfactory sample results. Thirty of these samples were selected and officers responsible were contacted for details of the reason for failure and any action taken by them (or others).

- Two samples were found to be compliant at the time of sampling, one was found to be compliant on retesting.
- Of the 27 remaining samples follow-up action was taken on 26 occasions.
- The nature of the follow-up work ranged from informal discussion; re-exportation; and formal written warnings for inland samples.
- Follow-up action was not deemed necessary for one sample as the nature of the fail was a minor labelling error and not safety related.

This project has shown that officers routinely work with businesses to resolve issues with compliance and collaborate with colleagues through the Home Authority mechanism to resolve issues found.

### **3.6 Imported feed activity delivery**

Local authorities at ports are commissioned to carry out a range of work to ensure the integrity of the feed/food chain is not compromised by imported animal feed. All authorities with ports have made great progress toward streamlining the monitoring and assessment processes, which are needed to identify consignments of feed or feed materials from third countries.

All local authorities continue to undertake monitoring and it is clear that all authorities are using this information to understand more about the imported feed trade through their ports and to take a risk based approach to further checks.

A number of reports reference sampling and overall it seems that adverse results are relatively rare. Furthermore in the limited number of circumstances where issues have been identified, the local authority often goes on to reference the cooperation of the importing business. This is a positive reflection on the imported feed trade, the effectiveness of the controls in place and the good working relationships that local authorities have with businesses.

### **3.7 Delivery improvements**

#### **Training to improve consistency of planning and delivery of feed controls in local authorities.**

NTS designed and delivered three training sessions for local authority Lead Feed Officers during autumn 2015. Officers from 83 local authorities attended. The events provided an outline of the key NTS delivery principles, including discussion about practical aspects of delivery such as the local implications of earned recognition; how to best set up local databases to undertake desk top modelling; and to provide support on collating the various regional submissions required.

#### **Alternative Enforcement Strategy toolkit**

SWERCOTS region were commissioned to develop a survey and scoring system during the year which could be used by all regions as a tier 1 Alternative Enforcement Strategy in 16/17 with the aim of increasing consistency of approach. During 15/16 they developed a survey and scoring system which allows local authorities to update their feed register records and undertake a low level compliance assessment.

They have piloted the survey in the last two quarters and their evaluation report shows it to be extremely successful. 70% of questionnaires sent were returned; only 2/209 farms returning surveys required further inspections; responses showed that businesses are completing surveys honestly even when they are doing something incorrect, allowing activity to focus on higher risk businesses; and compliance results were used regionally to enable identification of trends for focussing future work. NTS will be recommending this methodology to other regions as best practice for Tier 1 AES in 16/17

#### **Investigating points of entry joint working for Feed and product safety enforcement.**

As part of its wider remit NTS delivers, on behalf of BIS a network of officers at ports who undertake checks for unsafe products imported from 3<sup>rd</sup> countries. The Feed Governance Group identified the possibility that these teams and those undertaking 3<sup>rd</sup> country imported feed checks could be amalgamated to increase local efficiencies and promote value for money. However research showed that in fact the two commodities, feed and other goods tend to be imported at different ports, and where they do overlap (at just one identified port) in such different methods, that to amalgamate teams would give no value for money or other collateral benefits.

#### **Access to port authority consignment management data bases.**

NTS commissioned a project early in 2015 to establish if NTS payment for access to Destin8 or other port authority consignment management systems would assist local authorities in their monitoring and assessment of imported feed at ports. The research determined that for almost all ports relationships

already established, or access to databases already paid for as part of their wider work at the border, allowed for efficient identification of imported feed. It was agreed that there was no need for NTS to specifically pay for access to databases.

### **Regional feed team**

TSSE this year has worked to arrange a feed delivery team, hosted by three authorities across the region. NTS supported the development of this innovative model by part funding mentoring and training costs but has also commissioned an evaluation of the delivery methodology and its development.

### **3.8 Addressing intelligence and enforcement gaps**

NTS commissioned three projects which aimed to gather intelligence on issues identified as gaps in enforcement by the Governance Group and the technical panels. These projects have been developed to identify the levels of possible risk and the frequency of that activity occurring and these will guide FGG in recommending possible future enforcement actions to FSA to plug these gaps.

#### **Surplus food**

In its planning phases in 13/14, it was identified that surplus food from retail premises entering ending up in animal feed was a high risk activity in terms of protecting the feed chain. For this reason, in 14/15, phase one of a project to investigate the disposal routes of surplus food collected by sale and return suppliers was commissioned first in London, as a pilot, and then in three further regions. This project revealed web of suppliers, collectors and disposal routes for sale and return food and, given the complexity of the picture, and the fact that in year 1 a significant number of disposal chains had not been traced to their end point, NTS commissioned a further phase 2 project to finalise the intelligence gathering on the feed disposal chains identified in phase one. The final report will make recommendations to FSA on the appropriate enforcement action to address the issues found.

#### **Birdnut projects.**

The use of feed grade imported ground nuts as food grade products was identified as a potential risk. There is a price difference between food and feed grade groundnuts and also a difference between acceptable contamination levels for feed and food. This gives rise to a potential incentive to substitute feed grade groundnuts for food grade. First results indicate that, the categories of importers, agents and brokers that have been contacted and responded have sufficient systems in place that prevent feed nuts entering the food chain and no evidence was found to suggest that the importers' systems allowed feed grade nuts to enter the food chain. However the supply chains were more lengthy and complex than originally anticipated and it has not been possible within the time and budget of this project to establish exactly what the end user does with the product in every case. It is clear however that work is needed to better establish the location of importers of feed products by some individual local authorities.

There were some instances of low level non-compliance, for example ground nuts not marked as to the intended use. The home authority were subsequently informed and work has been undertaken to bring them into compliance.

This project has gathered intelligence to determine the extent of this possible risk and allow the development of an appropriate enforcement response.

## **Online sales**

At the end of the 2014/15 financial year, Warwickshire Trading Standards carried out a project on behalf of NTS which looked into the availability and compliance levels of animal feed, animal feed supplements and animal feed additives which were available to purchase over the internet. All 7 samples purchased in that pilot were found to be non-compliant.

The 15/16 project extended the sampling programme to include 40 animal feed products sourced from e-commerce sites covering the full range of food producing animals and horses

- 37 (92.5%) of all samples were found to be non-compliant
- 67.5% of all the samples procured had non-compliant labelling and
- 42.5% of samples were found to have compositional issues.

Local authorities in whose area the retail businesses were located were contacted in order to ascertain the retailers and the original manufacturer's compliance to EC 183/2005 the European Feed Hygiene Regulation. 77% of manufacturers were found to be either registered or approved with their local authorities, while only 36% of retailers were registered. Local authorities are working to ensure all those identified are brought into compliance where necessary.

NTS has identified this enforcement gap, i.e. online feed sales, and has worked this year to assess the compliance rates in online businesses. Non-compliance rates are found to be high but the types (labelling and composition) of non-compliances are not judged to be high risk, however the methodology has proven useful as a mechanism for identifying small scale manufacturers.

Further work will need to be considered by FSA to set up an appropriate mechanism, reflecting the low risk nature of the non-compliances, to address this issue. We will work with the FSA to develop how this might be delivered in future by NTS.

## **3.9 Other Work**

### **Regional technical feed leads.**

Early in the project, it was recognised that those regions who had a dedicated regional feed lead with technical expertise and an overview of the feed delivery environment worked more effectively to deliver their feed activity. For this reason the role of the regional coordination was expanded, along with a small amount of additional resource, to try to ensure these benefits were available in each region.

### **Assurance scheme member's compliance feedback mechanism/guidance**

NTS was asked by FSA to help provide a mechanism for feedback on compliance issues from assurance schemes inspections and for 14/15 and 15/16 this was in the form of a request for narrative qualitative information text as part of the quarterly financial claim. Unfortunately this qualitative feedback loop has not worked as well as hoped. To address this issue, members of the National Agriculture Panel (NAP) meeting agreed that regional coordinators or feed leads funded under the NTS programme should take an increased role in securing feedback from local authorities in their area and it has been agreed that from 16/17 this information should be collected and collated by each regional technical feed lead. This work will help identify non-compliance trend in the UK feed chain and offer better protection of the chain by allowing focus on higher risk businesses and activities.

## Feed Hygiene explained: Ensuring the reasons for feed regulation are understood.

**FEED HYGIENE EXPLAINED:**  
Trading Standards' role protecting animals, keeping our food safe and helping businesses to thrive

**WHAT DOES THE FEED INDUSTRY MEAN TO THE UK ECONOMY?**  
The UK animal feed industry is large and growing – worth over £4 billion a year. There are roughly 200,000 animal feed businesses, which contribute over 1% to the economy each year.

**HOW DO LOCAL AUTHORITIES SUPPORT FEED BUSINESSES?**  
Feed businesses are required by European law to have systems in place to ensure the safety of their products and prevent them occurring. This can range from steps to prevent vermin, contamination and adulteration to ensuring that only those raw materials used in their products sold. In their capacity as enforcement bodies they need to have the right skills and expertise to help them comply with the law, undertake surveillance activities to identify problems and take appropriate enforcement action.

**WHY DO WE NEED TO CARE ABOUT WHAT OUR ANIMALS EAT?**  
The first and mouth disease outbreaks in 2001 cost the UK economy over £8 billion. RSE (bovine spongiform encephalopathy) cost the UK economy billions, as many as 2 million cattle were affected and there have been over 200 cases of vCJD (variant Creutzfeldt-Jakob Disease) in humans. BSE was caused by large-scale feeding of animal protein to farm animals.

**WHAT IS NATIONAL TRADING STANDARDS HERE TO DO?**  
With leading and supporting more the food standards Agency, National Trading Standards oversees an animal feed inspection and sampling programme. This programme includes a range of activities including the programme includes risk-based inspections of feed businesses, checks on imports and exports, and advice to local authorities on how best to respond to specific risks – promote regional coordination and knowledge sharing between local authorities and the food standards Agency for firm minded and reputable feed businesses.

To ensure that feed leads are in the best position to argue for resources locally, and to keep participation high, NTS has this year developed a Feed Hygiene mailer which can be used by regions and authorities to present the case for this work to councillors and senior managers.

The full document is available on the LGA Knowledge Hub NAC forum, the NTS website and the FSA website.

### 3.10 Technical Feed policy support and improvements.

As part of the Programme, we continue to act as secretariat for the National Agriculture Panel (NAP) and National Animal Feed at Ports Panel (NAFPP). Both Panels meet twice a year and its members are instrumental in producing guidance to support the delivery of feed enforcement in England. During the last financial year, members of the Panels have contributed to –

- A leaflet and set of case studies aimed at promoting feed enforcement work;
- A memorandum of understanding that has secured local authority access to data held by the Veterinary Medicines Directorate and Animal Plant Health Agency;
- Guidance on Alternative Enforcement Strategies for feed businesses with a history of compliance but are not farm assured and on accessing details of farm assured businesses to reward them with Earned Recognition;
- Guidance for less experienced officers to help them decide when sampling is appropriate
- Technical guidance on a number of registration queries;
- Work with the Primary Authority Supermarket Group to identify shops sending surplus food into the feed chain;
- Guidance to ensure feed businesses can make cash sales while still complying with traceability;
- Guidance on prioritisation and funding of imported feed work;
- Specific funding guidance for small ports.
- Guidance on imported feed referrals to inland authorities;
- Feedback to the FSA on national enforcement priorities.

The work of the Panel and communication in general is shared through the National Agriculture Community Knowledgehub, which has been re structured and membership updated to become a more effective forum for local authorities.

## FEED DELIVERY MANAGEMENT DATA

	Annual planned	Numbers delivered	Percentage delivery (%)
Inland feed inspections	3505	3467	98.9%
Inland feed AES activities	654	642	98.2%
Inland samples taken	755	673	89.1%
Inland analysis undertaken	761	722	94.9%
Feed and Food hygiene inspections at farms	2592	2691	103.8%
Feed and Food hygiene at farms AES activities	2502	2821	112.8%
Points of entry - document checks	1910	1951	102.1%
Points of Entry - ID & Physical checks	504	388	77.0%
Points of Entry - analysis	156	152	97.4%
Total activities delivered	13,339	13,507	101.3%
Total delivery budget	2,369,205	2,354,046	99.4%

Table 3 – Feed Delivery 2015/16

## **Chapter 4 – Food**

### **4.1 National coordinated food sampling programme delivery**

In early 2015 the Food Standards Agency approached NTS to enter into a partnership to deliver their national food standards sampling programme. This was to build on the success of the delivery of the feed programme and aimed to make improvements to the overall system. This was agreed in May 2015 and a partnership programme was developed for England. Funding was provided to NTS to enable the Programme Office to undertake the set up work.

NTS worked with the FSA and regional representatives to improve the clarity and focus of the sampling priorities as far as was possible given the timescales. Improvements secured included the FSA ranking each of the priorities in order of high to low risk and describing the purpose of the sampling in a consistent and clear manner.

A series of spread-sheets were designed and built in order to facilitate the allocation of sampling priorities and the regional plans for agreed work. Regions were asked to indicate whether they had some of the more obscure premises types and also if they had a preference for any particular priorities. Following allocation of priorities, all regions worked to timetable and stated which samples they would deliver and how much this would cost. Sampling at ports was coordinated as a separate group from the inland work.

In mid March, we were advised by the FSA that the programme would only run for one year. As such, it was jointly agreed between NTS and the FSA that NTS would not take on the delivery. The decision was connected with wider discussions within the FSA about strategic direction and both parties agreed that it made sense not to change the current management of the system at this time. From an NTS perspective, the ambition had been not only to deliver the sampling activity but also to develop and improve the system as a whole, as we have for feed, and this could not be achieved in one year.

Whilst the outcome was disappointing, it is felt that a great deal was achieved in the time that NTS was working on the set-up and a number of improvements were secured, including:

- All 9 English regions delivering sampling to the same level.
- Effective planning of the samples to budget.
- Improvements to communication of the detail of sampling priorities.
- Effective engagement with new stakeholders.

### **4.2 Technical Food policy support and improvements**

The FSA also provides funding to provide technical policy support to the local government Food Standards and Labelling Focus Group. The group met three times. It continues to provide liaison and feedback to the Food Standards Agency, Defra and Department of Health on enforcement and technical matters.

In particular the group has provided some initial feedback to the Department of Health on an enforcement regime for the new foods for specific groups legislation, and on the definition of foods that may be exempt from the mandatory nutrition labelling requirements when they come into force.

The group continues to work on a number of opinions that it is hoped will become finalised as ACTSO endorsed opinions soon. The group also discussed and provided feedback on specific matters to home authorities in three instances.

Members of the group assisted with the set-up phase of the proposed revised food standards sampling programme. As a result of this work representation on the focus group and collaboration between authorities within the NETSA region is improved.

In June 2015 the Programme Office met with the Advertising Standards Authority to discuss the position for backstop enforcement for food standards and labelling cases, primarily nutrition and health claims. These are not included in the current BIS funded arrangement for consumer protection that National Trading Standards has with Camden and some sections of industry are challenging the Advertising Standards Authority's mandate to effect self regulation. The Programme Office offered a solution similar to the arrangement for consumer protection provided it was fully funded. The Advertising Standards Authority is to consider the matter, in conjunction with the Food Standards Agency. No conclusions were reached and no changes are likely imminently.

Investigations officers from the Advertising Standards Authority either attended focus group meetings or were kept informed of developments. The group has assisted the Advertising Standards Authority by providing feedback and advice on at least five specific matters throughout the year.

## **Chapter 5 – Intelligence**

### **5.1 Background**

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

### **5.2 The Intelligence Governance Group**

The Intelligence Governance Group met three times. Their work has covered a range of intelligence issues including; the development of the national strategic assessment and control strategy; oversight and support for the NTS Intelligence Team and regional intelligence analysts; work to update the Intelligence Operating Model; intelligence work tasked by the National Tasking Group; use of the intelligence databases and intelligence-sharing.

The Programme Office held four intelligence network meetings for the regional intelligence analysts and the NTS Intelligence Team. The September meeting also involved the regional and national intelligence managers.

An NTS intelligence development group working group was established and met twice. The group consists of those with the interest and desire to examine and help develop the intelligence system. Group members have a range of intelligence knowledge and experience. The group reports to the Intelligence Governance Group.

### **5.3 National strategic assessment and national control strategy**

The February 2015 national strategic assessment was refreshed, by the NTS Intelligence Team, to enable the Board to consider it as part of their business planning processes. It provides an overview of the current and long-term issues and problems affecting, or likely to affect, the consumer and business protection landscape in England and Wales. The national priorities remain; doorstep crime, eCrime, fair trading and scams, intellectual property, product safety and illegal money lending. The NTS Board approved the updated strategic assessment at their September 2015 board meeting.

Based on the Strategic Assessment, the Programme Office and the NTS Teams developed a national control strategy for 2016-17. It informs and directs the work of the NTS Teams and other projects. Reporting of work is done via the quarterly reports that are prepared with input from all NTS Teams. The NTS Board approved the strategy in March 2016.

The national strategic assessment and national control strategy<sup>9</sup> should be of use to trading standards services and regional trading standards groups, with the links between local, regional and national threats and areas of work. However, they are NOT designed to require any activities to be undertaken at a local or regional level as this remains a matter for local authorities

---

<sup>9</sup> BIS KPI 2ai

## **5.4 Intelligence Operating Model**

The Intelligence Governance Group has been revising the Intelligence Operating Model Strategic Overview and Operational Procedures. Updated versions of the documents and supporting appendices will be published in quarter 1 of 2016-2017. A simple guide to the Intelligence Operating Model will also be available in summer 2016 to set out the benefits of the model, and explain how it all fits together.

The Intelligence Operating Model Management of Intelligence Material and Data document was published in November 2015. This provides a framework to facilitate the management and handling of intelligence related material<sup>10</sup>. It recognises that each local authority will have their own procedures for information sharing and maintaining confidentiality and this should continue.

## **5.5 Intelligence reporting**

The Intelligence Governance Group continued to look at the costs/benefits of automating links between the Memex and IDB intelligence databases. This followed previous stakeholder surveys, where the significant majority of local authorities had been clear that they would not be willing to change from either Memex or IDB as their chosen system was linked to many other local systems and ways of working. The NTS Board considered the matter in depth in February having received details of the costs, risks and benefits. In essence the benefits would be a time saving where Regional Intelligence Analyst and the national teams could do a single search instead of two searches on Memex and IDB. However it was also recognised that when developing intelligence packages, a whole range of databases have to be searched anyway (including Cit A, open source, police, Action Fraud etc.). The costs of the linkages were significant as were the increased annual costs of upgraded systems. The Board decided that although the benefits did not sufficiently justify the risks and costs that had been identified. Instead the Board will maintain free access to both Memex and IDB for all the Regional Analysts and the NTS Intelligence Team<sup>11</sup>. This ensures that direct access for all NTS funded work and will continue to provide a facility to enable trading standards services to search both databases via their regional intelligence analysts. The Board also agreed to establish a core contract with IDB from April 2016, in the same way it has with Memex, to ensure that NTS is fully engaged in any decisions and developments relating to IDB.

In November 2014, the Intelligence Governance Group agreed that the intelligence database categorisation codes (Memex and IDB) should be revised and standardised to reflect all areas of trading standards work<sup>12</sup>. Following considerable consultation, the changes were launched on 1 April 2016 and will be reviewed six monthly.

The intelligence report used by enforcement agencies in the UK have been revised by the Chief Constables Council. The NTS Intelligence Governance Group has been involved in implementing changes for trading standards which includes facilitating changes to Memex and IDB and updating guidance and training material. The changes should help simplify partnership intelligence sharing, and improve consistency and accuracy in intelligence reporting. Trading standards will use the updated intelligence report from autumn 2016<sup>13</sup>.

---

<sup>10</sup> BIS KPI 2aiii

<sup>11</sup> BIS KPI 2ai

<sup>12</sup> BIS KPI 2aiiii

<sup>13</sup> BIS KPI 2aiii

## **5.6 National Trading Standards Sanction Information Database**

Since April 2014 the Sanctions Information Database has been hosted and maintained by the National Anti-Fraud Network Data and Intelligence Services on behalf of NTS. It is used by trading standards services to record all civil and criminal sanctions. NTS covers the cost of providing and maintaining the database for trading standards services in England and Wales. As expenses associated with access to databases are a major issue for local authorities, the free access to the Sanctions Information Database allows officers to record their work in a nationally searchable format and provides them with vital antecedent information to assist their investigations<sup>14</sup>. In April 2015 there were 2,036 active users with 1193 records added by officers comprising actions against 2,997 legal entities. By March 2016 the number of active users had risen to 2,628 and the number of records on the system was 2,398 with 5,696 legal entities.

In March 2016 a survey of local authorities was carried out. Overall, user experience came out as good with some room for improvement. The satisfaction rating for data entry and navigation was generally good but significantly better for advice and support from NAFN (rated by 70% of respondents as good). Suggestions for improvement included wildcard searching, which is already being implemented. Other enhancements suggested included access to additional sanction data and improved functionality to edit addresses, all of which will be carefully considered when looking at future upgrades to the system. The continued monitoring that takes place will also ensure that this system, free at the point of access, and with running costs approximately one third of the systems it replaced, remains a useful tool for officers in the field enforcing trading standards legislation.

## **5.7 National, Regional and Local Support**

One of the key parts of the Intelligence Operating Model is the network of intelligence functions working together locally, regionally and nationally. All local trading standards services have received funding to support them to have access to a local intelligence database that records information on the intelligence report<sup>15</sup>.

Each English region and Wales received funding of £37,000 to fund a regional intelligence analyst<sup>16</sup> to support national and regional intelligence and the work of the NTS Intelligence Team.

Suffolk County Council Trading Standards Service hosts the NTS Intelligence Team<sup>17</sup> that provides national intelligence technical expertise to help identify and analyse national problems, informing the tasking and prioritisation processes of the National Tasking Group and supporting the regional intelligence network. The Team's work includes horizon scanning; assessing and analysing intelligence; producing national strategic assessments, tactical assessments, problem and subject profiles; and disseminating intelligence requirements through the regional intelligence analysts. The Team provides national intelligence support for the Consumer Protection Partnership on the NTS areas of work. They engage with enforcement agencies and partners to help improve intelligence led working for trading standards.

---

<sup>14</sup> BIS KPI 2ai

<sup>15</sup> BIS KPI 2ai

<sup>16</sup> BIS KPI 2ai

<sup>17</sup> BIS KPI 2ai

## **5.8 NTS Intelligence Team**

### **Tasking and National Tasking Group Support**

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

In the period 1 April 2015 to 31 March 2016

- 23 referral reviews have been completed. There were also 2 NTS eCrime Team ‘forensic only’ referrals.
- Following the National Tasking Group meetings the Team was tasked and produced; 15 full analytical products<sup>18</sup> (including 2 for the Consumer Protection Partnership)<sup>19</sup>, 32 watching briefs of specific problems, 4 scoping documents, 3 short reports, and 2 pieces of further liaison work/support.

### **Data and Intelligence Partnership**

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

- In 2015/16 there were 46469 recorded intelligence logs on the Memex and IDB intelligence databases. This is an increase of 3.52% from 2014/15<sup>20</sup>.
- There were 38,735 intelligence logs recorded against current priority areas, which equates to a figure of 83.3% of the total intelligence logs recorded. This figure is constant with the relevant 12 month figure. A further breakdown against the priority area's shows; 32% doorstep crime, 29% intellectual property crime, 14% scams, 13% other Fair Trading, 7% safety and 5% eCrime.
- National Citizens Advice reports for the 12 month period remain stable in line with the expected limits. Other fair trading and scams account for 67% of consumer complaints. Product safety and Intellectual property crime consumer complaints remain very under reported and only account for 5% of all consumer complaints against priority areas. The level of product safety consumer complaints is mirrored with the lack of product safety intelligence reports<sup>21</sup>.
- The relationship with the National Fraud Intelligence Bureau continues to work well. The Team have a seconded analyst who works part time at the Bureau. Access to their data<sup>22</sup> is of great assistance to the production of problem profiles and national tactical assessments and reciprocal intelligence checks are conducted by the Team at the request of the National Fraud Intelligence Bureau when required.
- Presentations and support has been provided to the International Consumer Protection Enforcement Network under the European presidency of the Competition and Markets Authority. The Team has done work in relation to intelligence sharing and subscription traps<sup>23</sup> and it is anticipated that this support and assistance will continue into the next financial year.
- Organised Crime Group Mapping and flagging has continued to gain momentum. This year, 17 Full Flags have been set, 27 Interest Markers have been placed, 53 status checks have been completed.

---

<sup>18</sup> BIS KPI 2aiii

<sup>19</sup> BIS KPI 1b

<sup>20</sup> BIS KPI 2aii

<sup>21</sup> BIS KPI 2aii

<sup>22</sup> BIS KPI 2ai

<sup>23</sup> BIS KPI 1b

- The Team acts as the National Crime Agency flagging Single Point of Contact<sup>24</sup> for trading standards. 18 Organised Crime Groups are currently mapped with the National Crime Agency including 6 on the National Tasking Group Fulfilment House Project.

### 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.*

- An updated strategic assessment and executive summary was completed and circulated to the Board for approval at the September Board meeting. Following approval, it was sent to the regional intelligence analyst network for circulation to all trading standards services<sup>25</sup> in England and Wales, within the agreed timescales.
- The Team has received and agreed the timescales and the terms of reference for the production of the 2016/17 national strategic assessment and agreed the data collection strategy and preparation plan to ensure that the draft is produced in the timescale required.

### Regional Intelligence Analyst Network Support

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

- Engagement between the Team and regional intelligence analyst network is ongoing.
- All full analytical products (problem/subject profiles) produced by the Team have been disseminated to the regional intelligence analyst network<sup>26</sup>.
- National tactical assessments produced by the Team continue to be sent to the RIA network for dissemination to trading standards services in their regional group<sup>27</sup>.
- The report that the Team produces for the NTS Scams Team is also now circulated to the regional intelligence analysts for dissemination within their regional group<sup>28</sup>.

### 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 assists the NTS eCrime Team with identifying and disseminating IDB intelligence<sup>29</sup>. The Team continues to work closely with the NTS eCrime Team in the areas of subscription traps, secondary ticketing sales market and in relation to Operation Jasper.
- **NTS Scams Team:** The Team has provided intelligence checks and produces monthly reports for the Scams Team<sup>30</sup>. National Fraud Intelligence Bureau data is provided to the Scams Team on a monthly basis. The Team completes short profiles on emerging issues for the Scams Team.

---

<sup>24</sup> BIS KPI 2aiii

<sup>25</sup> BIS KPI 2ai

<sup>26</sup> BIS KPI 2ai

<sup>27</sup> BIS KPI 2ai

<sup>28</sup> BIS KPI 2ai

<sup>29</sup> BIS KPI 2ai

<sup>30</sup> BIS KPI 2ai

- **NTS Safety at Ports and Borders Teams:** Assistance has been provided by the Team in relation to the use of data and intelligence for both proactive and reactive work. Monthly reports are completed by the Team on behalf of the NTS Safety at Ports and Borders Teams. The Team has conducted research and development on product safety datasets to identify and make better use of product safety data to assist in the completion of the national tactical assessment<sup>31</sup>. The Team and Single Point of Contact (SPOC) have been subject to a review by Suffolk Trading Standards. These discussions are being proactively conducted and it is intended that these should be completed in the near future.
- **NTS Doorstep Crime work:** Initial discussions have been held with the 2015-16 Doorstep Crime<sup>32</sup> Project leads to establish the intelligence support required from the Team. It is envisaged that this will include; the use of the National Fraud Intelligence Bureau seconded analyst to produce Action Fraud data; Organised Crime Group Mapping and Flagging; and associated intelligence development<sup>33</sup>.

---

<sup>31</sup> BIS KPI 2aiii

<sup>32</sup> BIS KPI 1b

<sup>33</sup> BIS KPI 2ai

## **Chapter 6 - National Tasking Group**

### **6.1      Overview**

The National Tasking Group (NTG) comprises 3 Board members, 3 regional representatives. Others have been invited to participate in the group with non-voting status (e.g. the Competition and Markets Authority, the NTS E Crime coordinator and Trading Standards Scotland). It is recognised that members of the group must have the knowledge and experience to make tactical decisions.

The group meets every 8 weeks to determine national consumer enforcement investigations and tasks investigations subject to available resources and in accordance with the priorities determined by the Board through its strategic assessment and control strategy. They will task and support regional requests having considered:

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

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

### **6.2      Planning and Review<sup>34</sup>**

An NTG Planning and Review Meeting was held in February 2016. It reviewed the year's tasking, outcomes and lessons learned. It also provided an early opportunity to formulate a programme of proactive tasking for the year 2016/17. The meeting included:-

- a review of the NTG budget and commitments for 2016/17,
- a review of NTG work during 2015/16 (including changes to the NTG Protocol, supported projects, enforcement and investigations)
- areas for development
- an update on the work of the Consumer Protection Partnership
- a workshop session reviewing both the NTS Strategic Assessment and Control Strategy Priorities,
- priority setting for 2016/17

### **6.3      NTG Meetings**

NTG held 8 meetings during the year. There was a high level of tasking requests with a total of 76 referral/requests for support considered. This included deferred referral/requests which had been re-submitted to NTG for further consideration. The following is a breakdown of the decisions made by NTG

- 44 approved for funding and 4 not approved
- 21 were deferred for further clarification/information
- 4 tasked to the NTS Intelligence Team for further intelligence development

---

<sup>34</sup> BIS KPI 3fi

- 1 tasked to NTSIT and the NTS eCrime Team for joint development
- 1 was funded by direct Government grant and 1 was withdrawn

#### **6.4 NTG Budget**

The NTG budget for 2015/16 was £2,381,018. As happened last year, it looked very much like the number of requests were set to outstrip the budget within the first few meetings of NTG. However, although demand has remained high throughout the year, with the amount of funding requested totalling £3,350,330. The budget finished with a small underspend. This was allocated to other NTS front line work. This was due to a range of factors including additional Government funds being provided for copycat website work, some funded projects or cases returning underspends<sup>35</sup> where legal costs have been reduced due to successful outcomes, over-estimations or inability to complete work due to mitigating factors.

A significant number of applications were made to extend funding for work that had commenced in previous years. Key ones included<sup>36</sup>:

- **Operation Summit** - £57,000 for TSEM Scambusters to continue with this operation. This was a major and successful Door Step Crime investigation with the Nottinghamshire-based gang being jailed for almost 20 years on 12 June 2015.
- **Operation Spinnaker** – £98,000 for this investigation by TSEM scambusters related to business advertising fraud.
- **Operation Angel** (YAH Scambusters) – £339,000 for this case relating to fitted kitchen fraud. Operation Angel 1 trial verdicts were delivered on 29<sup>th</sup> March 2016 with 6 defendants which are reported in the scambuster section. There are 3 further defendants awaiting a second trial which will take place in 2016/17.
- **Operation Drake** - £69,000 for the continuing legal fees of this TSNW Scambusters case relating to multiple deposit fraud.
- **Operation High Treason** – £78,000 for a TSSE Door Step Crime case.
- **Operation Cleo2 and Dougal** - £269,000 for YAH Scambusters/E Crime Team to progress this ongoing copycat website investigation and prosecution, initiated in 2013/4 with BIS funding.
- **Operation Best** – £61,000 for a TSNW scambuster energy scam case.
- **Operation Albacore** - £273this was a legacy case being conducted by Southampton City Council (TSSE) and related to an ongoing investigation into a rogue trader drainage company. NTG agreed to provide an additional £272,604k support.
- **Operation Alpine** – this YAHTSG doorstep crime investigation was awarded £30,000 to fund the provision of an expert witness/surveyor and testing of installations.

#### **6.5 Examples of Other NTG Tasking from Referrals**

As outlined elsewhere in this report, much of the tasking related to investigations being undertaken by Scambuster teams and the detail is contained in the Scambuster section of this report. There was also tasking in relation to Advertising Standards Authority cases. In addition, listed below are some examples of other worked tasked by NTG.

- **Double Glazing** - £6,000 to West Yorkshire, to tackle the problem of a well-known UK double-glazing company which was appearing on the Tactical Assessment top traders list.

---

<sup>35</sup> BIS KPI 3fi

<sup>36</sup> BIS KPI 3fi

- **Cosmetic Products Legal Opinion** – £6,000 to clarify the law and shared with all local authorities
- **Solar Energy Suppliers** – this was a TSSE case for which NTG has agreed to NTSIT support to develop a Problem Profile.
- **Operation Photo** – an NTS Scams Team investigation into a mass marketing scam, NTG provided funding of £50,000 for 2 additional investigators,
- **Telephone Preference Services (Call Blocker Services)** – NTG commissioned the NTS Intelligence Team to produce a problem profile on this matter. A multi-agency meeting was held to discuss how to move this forward with other partner enforcement agencies.

## **6.6 Pro-active Tasking<sup>37</sup>**

In addition to tasking following referrals to the NTG, the NTG also tasked out work to tackle issues identified in the NTS Control Strategy

**Fulfilment Houses** - NTG awarded £314,000 to support an ongoing and coordinated programme of work to tackle some identified high risk fulfilment houses. 24 Fulfilment Houses had been identified during the course of the year. The funds assisted with initial investigations into key targets and intelligence development work, working closely with HMRC<sup>38</sup> and sharing the lead/support roles in investigations. A final report has been produced with a referral request seeking ongoing support for this work in 2016/17.

**Door Step Crime Projects**<sup>39</sup> – Following support over the previous 2 years for Door Step Crime projects, NTG commissioned more activity to sustain the progress made previously. A Prevention and Safeguarding Project was commissioned to the NTS Scams Team as the objectives complemented closely activity already being undertaken by the Scams Team. An Enforcement Project was commissioned to TSNW. A total of £157,000 was awarded. Both projects have produced final reports and project plans for planned activity in 2016/17.

**Operation Electra (Counterfeit and Secondary Ticketing)**<sup>40</sup> – this was a LOTSA investigation into counterfeit tickets and secondary ticketing which developed into a pro-actively tasked piece of work investigating this problem area. Led by LB Greenwich and Tri-region Scambusters, this activity involved working alongside London's O2 Arena<sup>41</sup> to gather and develop further intelligence to bring back to NTG for further tasking. A high profile event (Adele concert) had been targeted for monitoring and had revealed some interesting outcomes and allowed for further intel development. The initial work had identified 2 Canadian nominals and these had been swiftly referred back to the Canadian authorities via the auspices of ICPEN.

**Plasticisers in Toys** – this was a CENTSA-led pro-active tasking project which was been awarded £41,000 to investigate the problems caused by phthalates in toys. It was a national project with eight English regions taking part. The funding allowed test purchasing of up to 160 toy dolls in total, with testing of these by an independent test body. A number of the reports collated so far indicated the presence of phthalates at non-compliant levels. A further meeting to discuss the findings and next phase of the project had been held in April 2016 and a final report was awaited.

---

<sup>37</sup> BIS KPI 3fi

<sup>38</sup> BIS KPI 1civ

<sup>39</sup> BIS KPI 1b

<sup>40</sup> BIS KPI 1b

<sup>41</sup> BIS KPI 1civ

## **6.7 NTG Tasking Conference**

This was held on 25<sup>th</sup> June 2015 at Kings College, London and was very well attended by members of regional tasking groups (which included Regional Chairs, Action Managers and RIAs), NTG members and Programme Office staff. The conference included lessons learnt over the last year, sharing of experiences and good practice and group SWOT analysis. There was excellent work being done across all regional tasking groups and how far they had progressed in the last 3 years<sup>42</sup>. Some of the Conference findings were the subject of discussion at the Planning and Review meeting to improve the tasking process even further. The feedback received in relation to the conference was generally very positive. Most found it very useful to hear the experiences from the other regional tasking groups, the diversity of approach and the lessons to be learnt and shared. 89% of those who responded felt that it would be useful for NTS to hold annual tasking conferences and that in future more practical tasking experiences should be shared. Another event has been arranged for 12<sup>th</sup> July 2016.

## **6.8 NTG Performance Monitoring**

The Programme Office had identified some duplication in the various reporting required for NTS. It was proposed to devise one document that collated all the required information in one place and avoided bureaucracy and duplication of effort. The Programme Office was also aware of some concern within regions (and as expressed in the Perceptions Survey) in relation to NTG processes and envisaged that this would help to make it easier and more efficient for all concerned. A meeting is planned for 5<sup>th</sup> May 2016 to take this forward.

## **6.9 NTG Reviews<sup>43</sup>**

NTG undertook reviews of a number of funded investigations. Reviews are part of the normal process to assure NTG of the progress and value for money. These included:-

- **Operations Spinnaker and Operation Summit** (TSEM)
- **Operation Angel, Operation Cleo2 and Dougal** (YAHTSG)
- **Operation Albacore** (TSSE)
- **Operation Swordfish** (SWERCOTS)

The reviews had been very valuable and had identified lots of high quality work going on and with cases being well-executed. They were, for the most part, incredibly complex areas of work and by their very nature were often subject to legal challenge around process. Issues around disclosure had been highlighted as important and all lessons learned/areas of best practice identified would be appropriately shared. Going forward, NTG had reviewed its protocol and had decided that future reviews would be carried out for Scambuster cases where funding of £200k or more has been awarded, or other cases/projects where funding of £100k or more has been awarded, or where NTG considered there to be a high risk.

## **6.10 NTG Membership**

Given the demands on NTG and board members' time, the NTG protocol was revised to allow changes to the quorum and the arrangements for filling vacancies, and to allow the extension of the period of the Chair. NTG agreed on 1<sup>st</sup> March 2016 to allow the National GAIN Coordinator (Caroline Simpson) or her representative to join the non-voting membership of NTG as this was of benefit to the Group.

---

<sup>42</sup> BIS KPI 3fii

<sup>43</sup> BIS KPI 3fi

## **Chapter 7 - National Trading Standards eCrime Team**

### **7.1 Background**

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

### **7.2 Partnership Working**

Discussions continue with various external agencies and partners to promote the Team's work and to discuss joint working opportunities. Some of the developments last year included:

**Citizens Advice:** The Team was approached by Citizens Advice to produce a specialist e-crime desktop toolkit for Citizens Advice frontline advisors in time for Scams Awareness Month 2016. The guide helped advisors give plain English advice on how to avoid online scams and rip-offs by focussing on certain key pinch-points. Which? Have expressed an interest in jointly writing the tool kit the intention would be to allow Which? to re-purpose it in the form of a *Which? Guide* on online safety for consumers. The Team worked closely with Getsafeonline to produce the material.

**Get Safe Online:** A formal partnership arrangement has been agreed with Get Safe Online and the first joint campaign will be launched in summer 2016. A plan to share content that will help improve website visitors and increase the respective organisations' reach through social media has also been agreed.

**National Markets Group and Operation Jasper<sup>44</sup>:** The Team again took the lead in co-ordinating Operation Jasper. It is designed to tackle the use of social media to sell illicit goods. Phase 2 took place in the autumn had over 80 local authorities taking part, with 7,500 profiles, pages and images taken down, over 40 warrants executed and over 200 warning notices posted. The "notice and takedown" protocol agreed with Facebook by NTS has now been rolled-out nationally. There is now a standardised process by which any local authority based officer can request, via the eCrime Team, to have Facebook content removed. Phase three will take place in June 2016. 77 local authorities are currently signed up to take part.

**Web site takedowns:** The Team has now formalised a robust process for requesting web hosting companies deal more effectively with web sites that cause consumer harm. This has resulted in 64 web sites being brought to the attention of hosting companies which have subsequently been taken down.

**Mobile phone 'buy and sell' apps:** Initial discussions have been held with a number of companies that operate mobile phone 'buy and sell' applications. The aim is to put in place more effective procedures for dealing with the sale of counterfeit and unsafe products. Discussions are at an early stage, further details will be provided in the coming quarter.

**European Union and international partners:** The Team continues to work with the CMA as part of their presidency of the International Consumer Protection Enforcement Network (ICPEN). This will culminate in the ICPEN Heads of Agency conference which is being held in London at the beginning of the next quarter. The Team will co-lead two workshops on subscription traps<sup>45</sup> which are aimed at

---

<sup>44</sup> BIS KPI 1ci

<sup>45</sup> BIS KPI 1b

producing a set of good practice materials. This will help improve the international response to dealing with subscription traps that originate from overseas.

**Social Networking Sites:** The agreed “notice and takedown” protocol agreed with Facebook has been temporarily suspended while we work through some teething problems with the process. The Team expect the revised protocol to be published and available in the next quarter.

### **7.3 Forensic Work**

The Digital Evidence Unit continues to work on the national investigations as outlined below and has provided forensic support to a number of local and regional e-crime investigations during the year. These include investigations being run by; Brent & Harrow, North Lincolnshire, Staffordshire, Camden, Stockton, Worcestershire, Redcar & Cleveland, Kent, Doncaster, Plymouth, Bexley, Lancashire, Bolton, Durham and the South West and Tri-region Scambuster Teams.

The Unit has also provided:

- Forensic work in support of 24 local authority or Scambuster led investigations being undertaken
- 66 PCs, 45 mobile phones and 65 other devices (iPads, memory sticks, etc.) submitted for forensic examination
- Further potential operations are under development, including with external partners.

The new forensic software platform (Nuix) was trialled and a few outstanding issues resolved. The system, which allows the case officer to remotely review the digital evidence from their own office using a highly secure internet connection, has been rolled out more widely and is being actively used on a number of investigations.

The Team continues to work towards compliance with ISO 17025. This is a minimum standard which the Forensic Science Regulator (FSR) is expecting all computer forensic labs to achieve by late-2017. Although not a mandatory requirement, all laboratories that produce evidence to be used in criminal proceedings will be expected to achieve the accreditation. Undoubtedly, those that choose not to achieve the accreditation may find this is raised by defence teams during any proceedings. There is a rigorous assessment process the Team must complete in order to achieve full accreditation, this started with having the Unit's forensic imaging process compliant by October 2015.

The Team has also contributed to a report being produced by the Government Chief Scientific Advisor to examine the current state of the forensic landscape in the UK, with one of the chapters focusing on the role of forensics in protecting consumers

Work on the digital evidence in relation to Operation Dougal is almost complete. The main bulk of digital material now amounts to over 4,000 pages of evidence.

The forensic analysts have provided extensive support to the Scambusters Operation Angel trial. A number of requests have been made of the analysts, including an attempt by the defence at an early stage in the trial to introduce what appeared to be potentially damaging evidence recovered from a call recording system. However, due to some excellent work by the analysts the Prosecution were able to cast doubt on the probity of this evidence.

## **7.4 Training and equipment provision (maintaining local capability)**

The roll-out of the Basic Internet Investigations e-learning was completed. The feedback received from officers who have completed the course so far has been positive. Work to develop a syllabus and content for the Intermediate Internet Investigations e-learning and a new Social Media and Open Source course will take place in the coming quarter.

Funding allocations for this years' standalone equipment were finalised and a total of 35 authorities received funding to allow the purchase of a new standalone internet investigations PC or to upgrade existing equipment. This project has completed its agreed three year cycle and the Board have agreed that it will not continue into 2016/17 and the priorities for the E Crime budget need to now focus on the national/regional elements rather than local support of this nature.

## **7.5 Communications**

The Team wrote more web content and produced a paper for the CPP on the tactics web site scammers use to convert site visitors into victims. The web content is driving press interest<sup>46</sup>. Both regional and national press are picking up on stories and quotes, and requesting interviews on the work of the team.

The Team's overall Twitter<sup>47</sup> following continued to grow and achieved significant exposure on national, regional and local press, in print, broadcast and online media:

- the team issued over 2000 tweets, achieving almost 2 million impressions.
- at 31 March 2016, the Team had 11,694 twitter followers.
- the team's website continues to receive thousands of unique visitors, with over 62,500 page views this year.

The team featured on the BBC's One Show as part of a piece on "subscription Traps"<sup>48</sup>, alongside the NTS Scams Team in the Channel 5 TV documentary "Scammers", and on ITV's *Good Morning Britain* as part of a feature on "Cyber Monday". The documentary was the most watched TV programme for the 9-10pm time slot on any channel that evening, with over 3 million viewers either live or via catch-up TV. Along with the NTS Scams Team, the eCrime Team has filmed a piece with Scottish TV who produced a 3-part documentary series for UK wide broadcast.

Further coverage was featured on Radio 4's 'You and Yours', Radio 5 Live, and a number of local BBC radio stations and also quoted in two separate Daily Mirror articles on counterfeiting and copycat websites, the *Mail on Sunday*, The *Daily Mail's This is Money* website, Metro and Which<sup>49</sup>?

The 'Owl and Copycat'<sup>50</sup> consumer awareness campaign video, created by the Team and released in June 2014 in relation to copycat web sites, was been nominated for a national award. This is a prestigious award, with fellow nominees including Sky TV, BOSE and Coral.

Work continued with CitA<sup>51</sup>, on a subscription trap campaign, outlining a content campaign in lifestyle magazines and lifestyle websites to highlight health and beauty subscription scams. This is primarily

---

<sup>46</sup> BIS KPI 1cii

<sup>47</sup> BIS KPI 1cii

<sup>48</sup> BIS KPI 1ci

<sup>49</sup> BIS KPI 1ci

<sup>50</sup> BIS KPI 1cii

<sup>51</sup> BIS KPI 1ciii

aimed at women aged 35 to 64, whom CiTA have highlighted as having the most trouble with subscription traps. The campaign will be launched during Scams Awareness Month and continue through summer, being revived around late December this year to early January next year. The magazine content will provide good coverage of this audience, both offline (in print) and online via magazine websites and social media feeds.

## **7.6 Examples of Completed Cases<sup>52</sup>**

### **Operation Hector**

This was an investigation into websites offering “government backed grants and loans”. The defendant pleaded guilty to 20 counts of fraud and money laundering. Sentencing was delayed due to further offending uncovered while the defendant was on bail. The defendant was sentenced to 18 months’ imprisonment (suspended for two years) and ordered to carry out 300 hours unpaid work and pay £13,255 in compensation. Costs of £8,776 were also awarded. *Consumer detriment identified in this case was £13,255.*

## **7.7 Examples of Ongoing Investigations<sup>53</sup>**

The Team is involved in a number of large ongoing investigations. Examples include

### **Operation Cleo and Operations Dougal One and Dougal Two**

These are the large scale investigations into key copycat website fraudsters which was tasked to the Team. The sites purport to offer assistance with services such as passport applications, driving test bookings, self-assessment tax returns and payment of the London congestion charge. The trial for Operation Dougal was due to commence in April 2016, however the lead defence QC ‘walked away’ from the trial at the last minute. There are also some outstanding issues around disclosure that need further work. As a result, the trial has been relisted for April 2017. An additional £400,000 of assets have been restrained in this quarter. The lengthy trial for Operation Cleo is still due to go ahead in September 2016. A further four defendants are likely to be charged in the coming quarter. Over £10 million in assets are now restrained as part of these investigations and over £2 million in consumer loss has been identified so far.

### **Operation Horace**

An investigation concerning a series of ‘copycat’ blue badge web sites. Consumers using the web sites are charged an excessive fee for simply being redirected to their local council web site or for being sent an electronic copy of the blue badge application form. Many of the victims identified to date would be classed as vulnerable. This investigation is in the early stages.

### **Operation Cindy**

An investigation that relates to the operation of a ‘copycat’ passport web site and a series of other misleading (although not ‘copycat’) web sites. The company behind the web sites adopted extremely aggressive practices in pursuing consumers for outstanding monies, including pursuing consumers who failed to complete the entire application process and exited once realising they were not on an official

---

<sup>52</sup> BIS KPI 3b

<sup>53</sup> BIS KPI 3b

government web site. Over 700 consumers have ended up with County Court Judgements as a result and initial analysis of evidence suggests several thousand consumers were affected in total. The matter has now been sent to Crown Court for trial.

### **Operation Oscar**

This is an investigation that relates to a series of websites offering “credit broking” services. The websites purport to be able to find loans for consumers but then take an advance fee for the service, in many cases without being clear that a fee is being levied. There are reports from consumers to suggest that in some cases the fees were debited multiple times. Discussions have been held with the Financial Conduct Authority to ascertain the most appropriate way to deal with this investigation.

### **Operation Lily**

This investigation concerns a series of web sites that had been offering various electrical goods for sale (TVs, digital cameras etc.). Analysis of complaints suggests that consumers didn’t receive the exact product they ordered, or in many cases, they received no goods at all. Over 700 consumers initiated a ‘chargeback’ procedure against the company operating the web sites.

### **Operation Pongo**

An investigation that has connections to Operation Dougal. This investigation concerns an individual running a number of ‘copycat’ web sites, primarily relating to the London Congestion Charge. Further evidence of the scale of the offending was uncovered in the autumn and the defendant will likely be re-interviewed shortly.

### **Operation Judy**

An investigation into several individuals running web sites offering bogus recruitment and DBS checking services. Over 600 victims have been identified so far, with aggravating factors as many of the victims are vulnerable people seeking low skilled jobs. The investigation will be completed in Spring 2016 and charging advice sought.

## National Trading Standards eCrime Management Data

<b>General Outcomes</b>	Apr-Jun 2015	Jul–Sep 2015	Oct–Dec 2015	Jan-Mar 2016	Total
No. of eCrime Team operations commenced in the quarter	2	0	2	1	5
No. of eCrime Team operations concluded in the quarter	0	2	0	0	2
No. of operations in the quarter where the eCrime Team gave assistance to another local authority/agency	9	8	10	10	37
Estimated Potential fraud uncovered	£250,000	£500,000	£2,200,000	50,000	£3,000,000
<b>Enforcement Outcomes of eCrime Team Operations</b>					
No. of defendants convicted	0	1	0	0	1
Total fines imposed	0	0	0	0	0
Total custodial sentences imposed	0	0	0	0	0
Total suspended sentences imposed	0	18 months	0	0	18 months
Community service penalties Unpaid community work	0	1 (300 hrs)	0	0	1 (300 hrs)
Other penalties	0	0	0	0	0
Disruptive activity/ intervention	0		0	0	0
Compensation awarded to victims	0	£13,225	0	0	£13,225
Court costs awarded	0	£8,776	0	0	£8,776
POCA confiscation awards	0	0	0	0	0

Table 4 – NTS E Crime Team Management Data

## **Chapter 8 - National Trading Standards Illegal Moneylending Teams**

### **8.1 Background**

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

For 2015/16, 14% of the Teams' budgets were provided by the Financial Conduct Authority. Following the initial budget decisions taken by the NTS Board in September, which indicated a likely further reduction in budget for the Teams, there was cross governmental discussion about future funding of the Teams. Many partners were active in their support for the work and the Government agreed to pursue the option of funding the Teams via an industry levy which was a solution that NTS had been seeking.

For 2016/17 funding for the Teams is to be protected at 15/16 levels. An amendment to the Bank of England and Financial Services Bill was introduced, that will give the Financial Conduct Authority the power to introduce a new levy on consumer credit firms. These funds will be used to wholly fund the enforcement of illegal money lending throughout the UK from 2017/18. Treasury have indicated that they want NTS to retain the oversight and governance role for this work and discussions on this are also currently taking place.

### **8.2 Victim Work**

The England Team continue to support victims and witnesses, in terms of safety, emotional wellbeing and financial inclusion. The LIAISE team had 978 contacts with victims during 2015-16, many to offer emotional support and safety advice, but there were also referrals to credit unions, housing, debt advice and mental health services. The team dealt with £742,850 of new victim debt in 2015-16. One main witness had received death threats with a bounty placed on his head from loan sharks associated with a major Organised Crime Group. Following intensive LIAISE work the victim was removed to a safe location and rehoused. He stated that his life has been completely transformed. In another case over 200 potential victims were identified following enforcement action with multiple LIAISE Officers engaged in a structured victim support and community reassurance programme.

Further examples included a case in which the main witness had received personal threats and damage to property. Following LIAISE intervention the victim was successfully rehoused. In a separate case, intensive victim support was given to numerous victims in the build-up and during the trial in London involving loan sharks who instilled fear into a whole community. Both loan sharks were subsequently sentenced to 16 month imprisonment each. Other examples included intensive support to two victims who worked 70 hours a week to pay back the loan shark. Both have complex issues including housing problems, food shortages and mental health issues. Lots of emotional support was provided alongside referrals to food banks, housing, debt advice and work with probation. In another case emotional support was given to one victim who gave a statement and is vulnerable as she lives directly opposite the alleged illegal money lender.

In Wales, victim support was provided in quarter one on the Jenkins case detailed below with all witnesses supported beforehand and assisted with court attendance. Other examples of their work include a case where an alleged loan shark was arrested in Wrexham and they liaised with partner agencies in north east Wales to support two victims with property security, urgent debt action, a referral for longer term debt advice, and the possibility of rehousing. Finally they worked to support the victims of an alleged loan shark, arrested in Newport where the suspect and victims were all part of a close-knit Filipino church community, creating particular anxiety for the victims because of religious and cultural factors.

Victims continued to require Client Liaison Officer support in a number of ongoing cases. In one, the Judge suggested that the vulnerable witnesses be offered the support of a Ministry of Justice registered intermediary for the trial. The Client Liaison Officers researched and arranged this intervention, which was accepted by three of the witnesses. In a separate case, additional victims were identified in Wrexham, and assistance was offered. For quarter three the Client Liaison Officers were principally engaged in supporting the victims of Christopher Harvey in the run up to the trial. Due to the vulnerabilities of the victims, and to ensure they would be able to give best evidence, a number of victims were allocated an intermediary to help them give evidence at Court. Only through this resource-intensive work was the case able to be brought to trial culminating in a 40 month custodial sentence. In quarter four, following the award of over £66,000 of compensation (shared between three victims), the acquisition of significant capital sums has impacted very negatively on current welfare benefit entitlements. Client Liaison Officers have therefore been helping the victims to clarify their position with regards to their benefit entitlement with the Department for Work and Pensions by putting forward the argument that the compensation is not additional money, but is in fact the benefit money they would have received if the convicted loan shark had not taken it from them.

### **8.3 Awareness Raising Work**

The lesson plans<sup>54</sup> produced by the England team are now being used in over 4850 schools as part of the curriculum. LIAISE worked in conjunction with Experian in the development of a new workbook for their online learning resource Values Money & Me which was launched in September. Both education packs have now been translated into Welsh and are being delivered to local community schools in Wales by the Welsh team.

In quarter one the England team trained over 3088 frontline staff and completed 15 weeks of action. In quarter two 2864 frontline staff were trained with 28 weeks of action taking place at various locations. Quarter three saw over 5000 frontline staff trained with seven weeks of action. Stop Loan Sharks Charter Signings continued to be rolled out with partner agencies<sup>55</sup> coming together and pledging to support the work of the team and take a “zero tolerance” approach to loan sharking in their area<sup>56</sup>.

Proceeds of Crime spend by England LIAISE officers in 2014/15 was analysed and showed that £68,651 was reinvested into the community on local awareness raising projects, reaching over 4.5 million people and resulting in over 1100 credit union accounts being opened<sup>57</sup>.

Bishop Auckland Theatre Hooligans<sup>58</sup> were crowned as Stop Loan Sharks Champions 2015 in December. This group of young people put together six short plays about illegal money lenders that were show-cased at Auckland Castle in July. They have performed the plays for their peers in school and the subject is now embedded in the curriculum. The group, which won in partnership with Durham Constabulary and King James I Academy, are spending their £1,000 winnings on developing a school bank to teach pupils more about money management and the value of savings.

National ‘Stop Loan Sharks’<sup>59</sup> week ran for the week beginning 30<sup>th</sup> November. The was launched by a press campaign and saw events happening all over the country, in primary schools, community centres and on housing estates. Sid the Shark was photographed regularly. The week also saw a tweetathon happen, with tweets about illegal lenders reaching 2.5 million people. The team tweeted facts about illegal lenders as the twelve days of Christmas and now have 2,000 followers. As part of the week, the work of Bolton University students was show-cased at Bolton library. Students had been asked to develop posters showing the dangers

---

<sup>54</sup> BIS KPI 1civ

<sup>55</sup> BIS KPI 1civ

<sup>56</sup> BIS KPI 3di

<sup>57</sup> BIS KPI 1d and 3di

<sup>58</sup> BIS KPI 1ci

<sup>59</sup> BIS KPI 1cii

of illegal money lending that were aimed at a diverse audience, and that offered community reassurance after prosecutions had taken place. The winning posters will be produced and used by the team.

Key awareness raising initiatives the Wales team has been involved in this year included:

- Local Authorities: Further training sessions have been held for Flying Start and Communities First staff, and also youth workers and parent support staff in Ceredigion, Caerphilly, Flintshire, Torfaen, Swansea and Vale of Glamorgan. Officers from the Team were invited to deliver the keynote speech at Bridgend Council's Annual Financial Inclusion Event and ran a workshop for 35 attendees.
- The programme of training Police Community Support Officers<sup>60</sup> in Dyfed Powys continues;
- Client Liaison Officers have attended public-facing events at a number of locations including Llanelli, Pontypool, Swansea, Cwmbran, Torfaen, Caerphilly, Gwynedd, Bridgend and Cardiff. In Caerphilly Supporting People Services held a premiere for their film '*Unusual Suspects*'<sup>61</sup> about loan sharks, which attracted considerable publicity; during the school holidays, public facing 'fun days' were arranged by Housing Associations, voluntary associations, local authorities and Communities First clusters.
- Department for Work and Pensions: Job Centre Plus managers in South West Wales have invited the Client Liaison Officers to train staff in four areas<sup>62</sup>, with more sessions planned;
- As well as addressing a second Shelter Cymru regional conference, training was carried out for mental health charities Gofal and Sands; the Team also ran training sessions for Age Cymru Swansea, Barnardo's Newport and Red Cross support workers in Llanelli, and a workshop at the Welsh Tenants' Conference. The Team manager was invited to address the Tackling Poverty conference arranged by the Welsh Policy Institute.
- Credit Unions: a meeting was held with Cardiff and the Vale Credit Union to plan future joint work;
- Welsh Government: the team was invited onto the Financial Inclusion Development Group to advise on the renewal of the Financial Inclusion Strategy.<sup>63</sup>
- National Awareness Week<sup>64</sup>, funded by money seized from loan sharks from the proceeds of their crimes, was promoted with a number of events. A free entry event was held in Rhyl titled "Lenny and Lottie's Christmas Party" (Lenny and Lottie are the names of the shark mascots). The party featured competitions, games, exotic animals and refreshments and highlighted to residents the dangers of borrowing from Loan Sharks.
- Media interest in the Wales Team remained high<sup>65</sup>. Interviews were given to Capital and Heart FM radio following the conviction of Christopher Harvey. The conviction received widespread coverage in the national press with The Daily Mail, The Daily Mirror and The Express providing detailed articles on it.

#### **8.4 Example Cases- Wales** <sup>66</sup>

##### **Gareth Jenkins**

On June 24<sup>th</sup> 2015, Gareth Jenkins from Caerphilly, was sentenced to 15 months imprisonment at Newport Crown Court for illegal money lending. His Honour Judge Michael Fitton QC told Jenkins: "you were exploiting financially vulnerable people...those subject to your control experienced intimidation and continual anxiety". Jenkins lent money to vulnerable adults in the Caerphilly area, who were suffering health problems and had a very limited understanding of financial matters. Jenkins would take his victims' post office cards as security, obtain the PIN number from them, and then remove as much cash as he wanted from the accounts on the day that benefits were paid in. This exploitative lending carried on in some cases for over 10 years, with Jenkins' victims losing control of their finances. Some victims had no idea how much Jenkins was taking from them, as

---

<sup>60</sup> BIS KPI 1civ

<sup>61</sup> BIS KPI 1ci

<sup>62</sup> BIS KPI 1civ

<sup>63</sup> BIS KPI 1civ

<sup>64</sup> BIS KPI 1cii

<sup>65</sup> BIS KPI 1ci

<sup>66</sup> BIS KPI 3dii

they no longer knew how much income they were receiving. One couple first borrowed £100 from Jenkins over 10 years ago, and then took out a succession of loans. The couple had two children, and most weeks the family would be left with around £70 to £80 to live on. "We were skimping and scraping, perhaps you know we'd only have one meal a day". The stress built up over the years, with both partners attempting suicide. The investigating officer calculated that over a ten year period the family should have received over £132,000 in benefits, but only actually received £40,480, as Jenkins retained over £92,000. The couple said "We are so grateful to the Team, we couldn't have gone on the way we were, our lives have completely changed."

### **Paul Bow and Elizabeth Powell<sup>67</sup>**

Paul Bow and Elizabeth Powell, both of Merthyr Tydfil, both pleaded guilty at Merthyr Crown Court and sentencing was scheduled for 23<sup>rd</sup> June 2015. Bow and Powell preyed on adults with learning difficulties in the Merthyr area. When arrested, several Post Office cards were found at their home. It emerged that the couple were holding the cards as security for loans. Their standard terms were repayment of double the sum borrowed, with a further doubling of the repayment if any instalments were missed. Bow and Powell would insist that borrowers accompanied them to a cash machine at three minutes past midnight on the day that money was due in their accounts. They would then take all the cash withdrawn by their victims except for a token £5, meaning that their victims had to borrow further sums from them to live on, which led to a never-ending cycle of repayments. A support worker from a homelessness charity assisted one family when they were threatened with eviction. She encouraged them to report Bow and Powell. The family all have learning difficulties, and it emerged that Bow and Powell had been preying on them for over 10 years.

### **Irene Agayao**

On 6<sup>th</sup> October 2015, following an investigation within the Filipino community in and around Newport, two charges for illegal money lending were heard. Irene Agayao appeared before Newport Magistrates Court and pleaded guilty to both charges. The activities of Agayao were centred around her employment at the Royal Gwent Hospital and a church group of which she was an active member. She was fined £400 for each offence and was ordered to pay costs of £450 and a victim surcharge of £40 totalling £1,290.

### **Christopher Harvey**

Christopher Harvey was jailed for three years and four months at Cardiff Crown Court on the 18th December. Harvey had earlier pleaded guilty to two counts of illegal money lending, three charges of theft and four charges of fraud. Harvey, 53, of Hengoed near Caerphilly, South Wales described himself as the 'patriarch' of his family, and took money from eight 'disadvantaged' members of his extended family and their associates over a ten year period. He took control of his victims' post office and bank cards and helped himself to more than £22,000 of their own money – giving them only small sums to live on. Harvey would then lend their own money back to his desperate victims – charging extortionate interest up to 400,000% Annual Percentage Rate.

On occasions his victims were left so hard up that they could not afford to pay for food or gas. In addition to the lengthy pattern of theft and unlicensed lending, Harvey fraudulently took out a series of payday loans in the name of a former girlfriend of his nephew. This was particularly traumatic for her due to her physical disabilities and learning difficulties. She was left scared and confused after being bombarded with letters from debt collectors after Harvey had taken out the loans in her name. Sentencing Harvey, Judge Michael Fitton QC said Harvey had abused the high degree of trust his victims had in him. "You abused family and friends and you have shown yourself to be a man who seems to think that you're somehow entitled to do it and somehow you're superior to those who are less fortunate than you. You have an arrogant and controlling personality. You were a self-appointed bank manager and you paid your victims peanuts of the state benefits to which they were entitled. You gave them the absolute minimum you could for them to survive."

---

<sup>67</sup> BIS KPI 3d

## **Craig Tombs**

Craig Tombs, a 28 year old man was sentenced to 8 months imprisonment at Merthyr Crown Court. Tombs pleaded guilty to two charges of illegal money lending and one charge of money laundering. He admitted lending mainly to family and friends in the Merthyr Tydfil, Aberdare and Hirwaun areas of South Wales. Tombs will serve four months in prison and four months on licence. Tombs lent money without a licence to three victims over a 3 year period. It was accepted by the prosecution that no malice or intimidation was used but the total amount of unexplained cash deposits earned from his crimes was £40,253.

## **Arkadrusz Lewandowski**

On 24 June 2015 information was received from North Wales Police that the defendant, Arkadrusz Lewandowski and another unknown male, had attended a house on 21/06/2015 at 21:36pm banging on their front door to the point of smashing the frame. The victims made a 999 call to the police to report this incident because they were very afraid of the defendant. They told the police the reason Lewandowski was banging on their door was because they owed Lewandowski money. The case was thereafter referred to the Wales Team for further investigation. Lewandowski worked as a doorman at different venues, mostly pubs, in the Wrexham area. Whilst working at these venues he became friendly with the regular customers. He became known as a money lender and he would either approach the customers to offer them loans or the customers would approach him. Lewandowski was charged with illegal lending and criminal damage. At Mold Crown Court on 10<sup>th</sup> February 2016 he pleaded guilty and was sentenced to 4 months imprisonment suspended for 2 years, 120 hours unpaid work and ordered to pay a Victim Surcharge and costs of £500.

## **8.5 Example Cases-England**

### **Helen Soberano**

Helen Soberano, a 57 year old female from Somerset pleaded guilty to illegal money lending offences and received a suspended sentence at Swindon Crown Court in April 2015. Soberano targeted vulnerable Filipino health care workers and took passports from them preventing them from returning home to see family. Proceeds of Crime issues are on-going and these are expected to be to the value of £50,000.

### **Abdul Majeed**

Abdul Majeed a 45 year old male from Stoke pleaded guilty to illegal money lending offences and was issued with a caution. A hearing for recovery of £18,000 assets has been set. Majeed targeted local taxi drivers many of whom had gambling addictions. He provided loans to facilitate the gambling. When his victims won any money he would take all of this from them meaning they would have to borrow from him again.

### **Bryan Smith**

Bryan Smith, a 58 year old man who operated as a loan shark in Gloucestershire, was given 6 months to repay £238,257 which was criminal benefit from his Illegal Money Lending. When officers from the England team searched Mr Smith's home address, three loan books in the form of dairies were recovered along with several hundred handwritten payment records. These showed that in excess of a thousand loans were issued between 2012 and the execution of the warrant in 2014. Upon sentencing, Judge Hart said "for over a century legislation has been in place to protect the vulnerable and that here there were no agreements or records in hands of borrowers who didn't know how much they were repaying".

### **James Palfrey and Ronald de la Cruz**

James Palfrey and Ronald De La Cruz had previously pleaded guilty at Swindon Crown Court to offences of illegal money lending. On 15 April 2015 they were ordered to repay £37,500 some of which to be repaid directly to their victims.

## **John Cartwright**

John Cartwright, a 46 year old male from Birkenhead was sentenced to 16 months imprisonment following a hearing at Liverpool Crown Court. Upon sentencing Judge Goldstone QC said "You have made a £100,000 profit by taking advantage of desperate people who were under pressure. It is not surprising that the victims did not cooperate and give statements out of fear – these people were desperate and vulnerable. In giving this sentence I am looking to deter people like you from profiteering and extortion and protect victims from exploitation." As well as the criminal prosecution, a Proceeds of Crime Act investigation was also carried out. As a result of this it was ascertained that Cartwright had received £200,000 criminal benefit as a result of his illegal money lending. Of this there was £15,000 in available assets to be confiscated.

## **Elisa and German Alcomendas**

Mrs Elisa Alcomendas, aged 56, and Mr German Alcomendas, aged 55, of Ilford, both pleaded guilty to seven offences of illegal money lending and each received a 14 months custodial sentence. Most of the victims came from the hospital where Mr Alcomendas worked as a nurse. One victim paid back nearly £11,000 from an initial £6000 which they had borrowed to visit the Philippines. Other victims borrowed the money to send home to fund treatments for ill relatives in the Philippines. Another victim borrowed to pay family funeral expenses as their relatives at home could not afford them. Upon sentencing His Honour Judge Darling said "it was a sophisticated, well planned operation and all customers could be described as vulnerable". There were approximately 50 victims identified with a loan book value of £540,000. Subsequently, two confiscation orders under the Proceeds of Crime Act were made and German Alcomendas was deported back to the Philippines.

## **Dean Hughes**

Dean Hughes, a 46 year old male from Lancashire, pleaded guilty to illegal money lending at Burnley Crown Court. Hughes had over 37 victims, many of whom were vulnerable. Hughes threatened his victims and asked his female victims to perform sexual favours in lieu of late payments. Such was Hughes threat to his victims that he was remanded in custody prior to trial.

## **Douglas Smith**

Douglas Smith from Canvey Island, Essex was given an 8 month prison sentence suspended for two years following a hearing at Basildon Crown Court. He also received a curfew for four months, a supervision order for two years and must attend a Thinking Skills programme. Smith had been running an illegal money lending business between 6<sup>th</sup> July 2012 and 25<sup>th</sup> February 2014. Prior to having his own business Smith was a self-employed collector for a legitimate, licensed money lenders where he collected repayments on their behalf and took an agreed commission rate as payment. In time, however he began offering the clients loans from his own funds. Documentation relating to loans and receipt books were recovered. These show that Douglas had issued loans to at least 70 people totally over £56,000. During the search officers also found a quantity of items which were since shown to be counterfeit. Mr Douglas pleaded guilty to the possession of these items for sale in addition to the illegal money lending offences.

## **Samuel Hayes**

Samuel Hayes from Manchester was sentenced to 12 months in prison suspended for 18 months for illegal money lending. He was also given a 14 days sentence also suspended for 18 months for the possession of cocaine and was ordered to wear an electronic tag following a hearing at Manchester Crown Court. He had run an illegal money lending business from December 2011 to November 2014. Hayes had issued at least 280 loans. On 6<sup>th</sup> November 2014 a warrant was executed by officers from the England Team at Hayes's address. As part of the investigation, officers seized items relating to money lending along with cocaine. Interest rates on the loans varied from 50% up to 100% with the most common rate being 70%. Every loan

had a £25 administration fee added to the balance. Penalty fees were added to the balance for missed payments equal to the value of the missed weekly / monthly payment. At the time of his arrest, the loan book was worth £212,211.

### **Ian Wilson, Cherie Wilson, Alison Wilson and Angela Rutherford**

Ian Wilson, from Stockport, was given 10 month imprisonment suspended for 2 years. He was told he must wear an electronic tag and was placed on curfew for 6 months. Alison Wilson was sentenced to 8 months in prison. Cherie Wilson was sentenced to 3 months suspended for 2 years for collecting and enforcing payments. Angela Rutherford was also sentenced to 3 months suspended for 2 years for canvassing for new clients for the Wilsons and for maintaining the loan record books. In the space of 12 months the Wilsons and Rutherford had lent out at least £178,000 in cash. In March 2014, officers from the England Team and Greater Manchester Constabulary executed a warrant at three addresses. Documentation relating to money lending was recovered. This showed that Ian Wilson and Alison Wilson had issued loans to over 100 people. The amount lent out was from £50 to £200 a time.

### **Kevin John Donaghey**

Convicted loan shark Kevin John Donaghey has been ordered to pay back all the income he received from his illegal money lending. Donaghey, of Bromsgrove, was investigated by the Team, working in partnership with Worcestershire Trading Standards and West Mercia Police, and had previously been convicted of five counts of illegal money lending in 2014. The prosecution told Worcester Crown Court that Donaghey had made £200,000 over the time he ran his illegal money lending business and he was ordered to pay back this amount within three months or he will face two and a half years in prison.

### **Garry Marsh**

Garry Marsh, 55, who operated as a loan shark in the Wythenshawe area of Manchester, was given an eight-month sentence, suspended for two years, following a hearing at Manchester Crown Court. Mr Marsh, of Gladeside Road, Wythenshawe, pleaded guilty to two counts of illegal money lending after an investigation by the England Team, working in partnership with Manchester City Council and Greater Manchester Police. Evidence showed that Marsh was ran an unlicensed cash loan business under two separate business names between 2013 and 2015. It also showed that the gross income of the business was £15,000 per annum, based on records seized from Marsh's home when the Team executed a warrant at his home address in March 2015. On sentencing, Mr Recorder Stewart said "Regardless of how Mr Marsh thought of his activities, he was unpleasant and preying on vulnerable, disadvantaged people. He was engaged in illegal money lending for two years and society rightly despises illegal money lenders."

### **Adelaida Thompson**

Adelaida Thompson, 65, who operated as a loan shark Scarborough, has been given two eight-month sentences, suspended for two years, and ordered to do 150 hours of unpaid work, following a hearing at York Crown Court yesterday. She has also been given a curfew of 7pm to 7am. Ms Thompson, of Limestone Road, Burniston, Scarborough, pleaded guilty to illegal money lending. She was investigated by the England Team working in partnership with North Yorkshire County Council and North Yorkshire Police. Evidence showed that, over a period of more than four years, Thompson was lending to numerous people in the area's Filipino community, many of them nurses. On sentencing, His Honour Judge Batty said: "This sentence is on the basis that you are a loan shark, charging exorbitant rates of interest with penalties charged if payments were not made on time. On one occasion you went to a borrower's house and demanded money. These offences are viewed seriously by the courts. Unlicensed lending targets the most vulnerable in society, they cannot, through no fault of their own, use the usual channels for funds so people like you flourish and make money from them. Society will not tolerate unlicensed lending in this or any other form."

## National Trading Standards Illegal Money Lending Management Data

Enforcement		England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Number of pieces of intelligence received:												
• Hotline	57	64	79	72	272	2	4	4	4	14	286	
• E Mail	73	0	0	0	73	0	0	0	0	0	73	
• Victim	29	18	22	27	96	0	0	0	0	0	96	
• Text message	0	0	0	0	0	0	0	0	0	0	0	
• Police	30	20	26	33	109	1	2	0	1	4	113	
• Trading Standards	2	6	17	9	34	0	0	0	1	1	35	
• Other Council Services	6	0	1	0	7	0	0	2	0	2	9	
• Crimestoppers	3	5	5	0	13	0	0	0	0	0	13	
• CAB	1	0	1	0	2	0	0	0	2	2	4	
• Credit Union/FCA	0	0	0	0	0	0	0	0	0	0	0	
• Liaise/SIPO Work	7	4	0	0	11	0	0	0	0	0	11	
• Other	1	2	1	2	6	2	3	3	3	11	17	
Number of Operations commenced	130	119	75	66	390	3	2	2	4	11	401	
Number of suspected illegal money lenders identified	210	197	105	217	729	3	1	2	5	11	740	
Number of arrests made:												
A. For illegal money lending	16	17	17	17	67	5	1	0	4	10	77	
B. For other offences relating to an illegal money lending case	0	0	0	0	0	0	0	0	0	0	0	
C. In total	16	17	17	17	67	5	1	0	0	6	73	

Enforcement	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Prosecutions:											
A. Number of <b>Cases</b> where proceedings have been instituted/ charges brought	3	3	3	13	22	0	2	3	0	5	27
B. Number of <b>individuals</b> who have been charged or had proceedings instituted against them for illegal money lending	7	3	3	13	26	0	2	3	0	5	31
C. Number of <b>individuals</b> who have been charged or had proceedings instituted against them for other offences	0	0	0	0	0	0	1	2	0	3	3
D. <b>Total Number of individuals</b> who have been charged or had proceedings instituted against them	7	3	3	13	26	0	3	3	0	6	32
Other Enforcement Actions:											
A. Number of <b>Cases</b> where other enforcement actions have been taken	0	0	0	20	20	0	1	0	0	1	21
B. Number of <b>individuals</b> who have had other Enforcement Actions taken against them for illegal money lending	0	0	0	0	0	0	1	0	0	1	1
C. Number of <b>individuals</b> who have had other Enforcement Actions taken against them for offences other than illegal money lending	0	0	0	51	51	0	0	0	0	0	51

	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Custodial Sentences:											
A. Number of Cases where custodial sentences have been handed out.	0	5	1	4	10	1	1	2	1	5	15
B. The number of individuals who have received custodial sentences.	0	8	2	6	16	1	2	2	1	6	22
Non-Custodial Sentences:											
A. Number of Cases where non-custodial sentences have been handed out	3	1	1	3	8	0	0	1	0	1	9
B. Number of individuals who have received non-custodial sentences.	3	1	1	3	8	0	0	1	0	1	9
Total Value of Loans made by Illegal Money Lenders	£0	£1,113,144	6,321,981	£1,169,681	£8,604,806	£31,000	£22,000	0	£27,000	£80,000	£8,684,806
Financial value of associated criminal activity:											
A. Total value of benefit fraud identified and reported/prosecuted	£14,584	£9,164	£2,500	£16,232	£42,480	0	0	0	0	0	£42,480
B. Total value of other criminal activity identified and reported/prosecuted	0	0	0	0	0	0	0	0	0	0	0
C. Total value of all criminal activity identified and reported/prosecuted	£14,584	£9,164	£2,500	£16,232	£42,480	0	0	0	0	0	£42,480
Assets/ Proceeds of Crime Act											
A. Amount of cash seized	£60,413.92	£60,413.92	£28,235	£14,974.77	£164,037.61	0	0	0	0	0	£164,037.61
B. Estimate of value of assets restrained under S41 POCA	£177,500	£177,500	£41,307	£0	£396,307	0	0	0	0	0	£396,307

	England Q1	England Q2	England Q3	England Q4	Total England	Wales Q1	Wales Q2	Wales Q3	Wales Q4	Total Wales	Total
Assets/ Proceeds of Crime Act											
C. Total Criminal Benefit of IML (assessed by Prosecutor)	£400,919.64	0	0	£620,795.60	£1,021,715.20	0	0	0	£7,000	£7,000	£1,028,715.20
D. Amount awarded by Confiscation or Forfeiture Order	£307,887	0	£200,000	£0	£507,887	0	0	0	£91,000	0	£598,887
E. Compensation awarded to victims	0	0	0	0	0	0	0	0	£66,000	£66,000	£66,000
F. Total Criminal Benefit of IML (agreed by the Court)	£436,182	0	£200,000	£454,628	£1,090,810	0	0	0	0	0	£1,090,810
G. Total amount of money laundered, by Loan Sharks	£763,419	£158,433	£1,275,080	£157,040	£2,353,972	0	0	0	0	0	£2,353,972
H. Total amount of money laundered, by offenders other than Loan Sharks	0	0	0	0	0	0	0	0	0	0	0
Total number of victims identified	422	134	956	256	1768	11	6	18	23	58	1826
Direct/Actual savings to victims at point of intervention (illegal debt to loan shark only)	£210,139	£113,145	£371,085	£158,740	£853,109	£23,500	£15,000	£40,000	£12,000	£90,500	£943,609
Number of victims with illegal debts written off at the point of intervention	422	134	956	256	1768	2	3	18	11	34	1802
Number of victims provided with support, both direct and indirect.	189	134	285	256	864	11	6	6	11	34	898
Total value of victim debts, assessed through intensive casework support	£210,139	£135,170	£137,381	£255,810	£738,500	£31,000	£22,000	£40,000	£20,000	£113,000	£851,500

Table 5 – Illegal Money Lending Management Data

NB: A few totals have altered during the course of the year compared to the previously submitted quarterly reports, due to minor collations done at end of each quarter. Annual figures are all complete.

## **Chapter 9 - National Trading Standards Safety at Ports and Borders**

### **9.1 Background**

For 2015/16, NTS commissioned work at the following ports and borders: Southampton; Felixstowe; Heathrow, East Midlands, Manchester and Stansted airports; Tilbury Docks and London Gateway; and the two postal hubs at Coventry and Langley. All were fully operational. Intelligence and referrals were provided by the NTS Single Point of Contact (SPOC) unit based in Suffolk with a pilot currently underway at East Midlands Airport to provide referrals to Stansted and Heathrow<sup>68</sup>. The work is overseen by the NTS Ports and Borders Governance Group.

Further information from the three main areas of activity is detailed below (Suffolk, Felixstowe and the SPOC) as these have the highest level of risk and funds. However case studies and statistics are supplied that cover the work at all the NTS funded ports and borders.

### **9.2 Overview**

All projects intercepted a wide range of unsafe consumer products including skin lightening creams, LED lights, phone chargers, laser pointers (in one case 118 times the legal limit) kettles, toys and larger items such as bicycles and sofas. There were notable seizures of unsafe goods and referrals to inland authorities, who often are unaware of the importers based in their area. Mixed consignments heading for fulfilment houses remained an issue and were time consuming to examine due to the high number of different products in each consignment.

The relationship with partner enforcement agencies such as UK Border Force has much improved. In some border points Border Force are now working side by side with Trading Standards staff and have received training from Trading Standards, so they know what products they are interested in<sup>69</sup>. The level of referrals directly from Border Force is increasing. In quarter two, Border Force appointed a seconded officer to act as a Trading Standards single point of contact within the Border Force Fast Parcels and Central Aviation Intelligence Directorate based at East Midlands Airport. The appointment resulted in a 300% increase in workload with an associated increase in the amount of useful, fresh intelligence, on importers of unsafe products via UK airports and fast parcel operators<sup>70</sup>. A business case was prepared in quarter three which resulted in NTS agreeing to fund this post in 16/17.

In the autumn and winter, self balancing scooters ("hoverboards") dominated the work of the Single Point of Contact and the newer ports and borders teams, with many consignments of unsafe hover boards detained. New variations were seen at the borders, including one type aimed at younger children. Unsafe LED lights and laser pens were intercepted at several border points, including East Midlands Airport, where officers discovered LED lights that posed a serious risk, and submitted a Rapex notification as a result. The ports and borders team were also busy examining fashion jewellery as part of a nationally co-ordinated project lead by the Single Point of Contact looking for the presence of heavy metals.

---

<sup>68</sup> BIS KPI 2ai

<sup>69</sup> BIS KPI 1civ

<sup>70</sup> BIS KPI 2ai

### **9.3 Suffolk Trading Standards Single Point of Contact**

This year the profiling process continued to produce good outcomes, being constantly reviewed to ensure it remains focused on appropriate economic operators, products, sectors and legislation. More involvement from border Trading Standards authorities in the profile setting process continues to be welcomed, including providing more timely and detailed feedback on interventions. It is fully appreciated however that with ever decreasing resources at a local level, this will be hard to achieve.

The team requested feedback on their quarterly intelligence report to help inform the future development of intelligence reports, including ensuring more alignment with the NTS Intelligence Team's bi-monthly tactical assessments. A more structured and formal process for sharing intelligence with European Union Member States, via the Customs system, is being developed. Four new contacts with trade associations were initiated.

The Team continued both to identify goods going to External Transit Storage Facilities in authorities not directly funded by NTS and to work with the relevant authorities as well as initiating work with other agencies and bodies in relation to both the Electro Magnetic Compatibility and the Construction Products Directives. The Team attended the Expert Working Group on border controls, considering data reporting to the EU, risk assessment models in border controls and emerging threats. It also contributed to consultations on product traceability, the Pyrotechnic Regulations and cross border interventions and cooperation.

Work continued with both Customs and Border Force<sup>71</sup> to identify and address the steps taken by high risk economic operators to avoid controls, using different, sometimes fictitious, consignees and moving goods to External Transit Storage Facilities to Trading Standards authorities not directly funded to engage in border controls. Data analysis demonstrated that border controls are having an effect on high risk importers who continue to change tactics and border points for importing their consignments in order to try and evade controls. Some high risk importers used individuals, some fictitious, as the consignees to make it more difficult to set appropriate risk criteria in the control. Some of the highest risk fulfilment houses are now importing direct to internet sites, including Amazon, rather than via their own storage units making it more challenging to identify an inland authority to which the issue can be referred. Intelligence alerts from Customs to the Team increased significantly over the year however intelligence received from Trading Standards border authorities remains limited which results in gaps in the intelligence.

Consideration was given this year to reducing or removing profiles for some well-known and established high risk importers who had not improved their compliance levels in the last eighteen months and where the long term solution should be action by the relevant Home Authority. This allowed the Team to turn its attention to identifying new high risk operators<sup>72</sup>. Previously identified trends continued, namely a growth in the number of products being purchased via websites. This has implications for how authorities conduct their market surveillance activities; consumers purchasing products from the web then selling them via websites like E-Bay but with little or no knowledge of their legal responsibilities; and finally, products previously available only to persons with specialist knowledge now being easily available to consumers such as tattoo removal kits.

The Team continued to provide a service to the Health and Safety Executive, National Measurement Regulation Office, Medicines and Healthcare Products Regulatory Agency, Department for Communities and Local Government, Department for Environment, Food and Rural Affairs, The Office

---

<sup>71</sup> BIS KPI 1civ

<sup>72</sup> BIS KPI 2aii

of Communications as well as Trading Standards regional groups in relation to border controls and/or tactical assessments. Work was undertaken by the Team to support projects run by the other Market Surveillance Authorities, particularly on timber/wood products and with the Health and Safety Executive for compressors and asbestos. At the request of both BIS and the Department for Communities and Local Government, The Team was also involved in a border control project relating to steel products which is being used to inform National Government approaches to the “steel crisis”.

Lord Harris sits on the Portfolio Board of the One Government at the Border work being led by Her Majesty's Revenue and Customs. The Team participated in three of the work streams: namely, intelligence sharing & dissemination, data collection and analysis and joint working at the border.

The Single Point of Contact review commissioned by NTS was completed and presented to the Board in the summer. Overall, the report concluded that the single point of contact has significant impact and provides good value for money. The Governance Group produced a series of actions which the Board agreed, to implement the recommendations and this included a letter sent by Lord Harris to Anna Soubry, Minister for Business, highlighting opportunities identified.

#### **9.4 Suffolk Trading Standards Work at Felixstowe**

This year, interventions for the purposes of establishing risks of individual businesses and to assess sector compliance continued to be effective, enabling the Single Point of Contact to amend profiles accordingly and also to exclude compliant economic operators from future controls. Intelligence provided by the Team, developed through border work, helped lead to five prosecutions for product safety offences. The intelligence developed by the Team identified links between significant high risk importers which had not previously been established which was fed into the Single Point of Contact's intelligence cycle.

Responses to requests for feedback differ per quarter however, consistently, 100% of authorities responding to feedback requests, take action following referral of unsafe products. Follow up work by inland authorities after a border intervention varies significantly due to local resource constraints. This varied from a minimum of 39% to a maximum of 72% throughout the year. Many authorities now provide only generic email addresses due to cuts in local services and response times to these queries are much slower.

Analysis of the feedback indicated that many traders rely on the certificates issued in China to demonstrate compliance but do not check either the validity or the authenticity of the documents. In addition, they believe that compliance with a standard is sufficient to meet the essential safety requirements of relevant Directives which is not necessarily the case. There is a need for some businesses to better understand that supplying a safe product is about meeting the safety requirements of legislation and not just having a product that has been assessed as compliant with a standard.

The Team has again been involved in a collaborative project with the assessing compliance and classification of Pyrotechnic Articles entering the UK via Felixstowe. 25 products were tested of which two had critical faults, three had major faults and five had minor faults. Other aspects of criminality were also identified and referred, as appropriate, to the local licensing authorities and the Police. The project also identified two new entrants to the market, one of whom was the subject of enforcement action by the Health and Safety Executive. The Team are pleased to be attending and presenting the results and outcomes of this work at the National Firework Forum event in May 2016.

In quarter two, 53% of all samples examined through documentary checks, visual assessment, in-house testing and laboratory testing, were assessed as unsafe/non-compliant. This included

examination of products for three sector monitoring projects which generated a high level of compliant results. This sector monitoring work is important as it not only sends a clear message to all companies that no one is exempt from border checks but also helps establish the nature and extent of compliance levels within a sector. As a result of the work, 38 businesses were identified as having a risk level sufficient to consider removing them from profile controls. This is an important part of the work undertaken as it allows both Single Point of Contact and the Imports Team to identify and focus on economic operators of concern.

Intelligence logged on IDB by the Team played an important role in the National Trading Standards funded fulfilment house project. The Team has maintained its policy of logging results and intelligence on IDB in preference to ICSMS to avoid triple inputting and until ICSMS has a reporting functionality. The Team issued RAPEX alerts for products destroyed at the border and also completed its first notifications which will alert all other European Union Customs authorities to unsafe universal chargers intercepted at Felixstowe.

## **9.5 Trading Standards South East work (TSSE) at Southampton and External Transit Storage Facilities**

Funding to TSSE was increased by 5% this year. This helped local heads of service demonstrate to local authority employers the commitment towards this project. Analytical test reports are received within 48 hours from submitting the samples. This ensured that reputable importers were not being disadvantaged by holding up their products.

Southampton Trading Standards were made aware that a fulfilment company previously based in Portsmouth had moved their operation to Hampshire. During this transition period and prior to Hampshire Trading Standards setting up any sort of formal arrangement with them, Southampton Trading Standards dealt with the referrals at the port. Typically the packing lists for these containers were very vague and it took great effort and time to receive the correct information about product types and quantities being imported. It is also worth noting that a referral was received for one of the regular Ealing based Fulfillment House importers that normally import consumer goods and which on most occasions fail consumer safety legislation. This consignment was called for inspection in the normal way. It is pleasing to report that on the whole they seemed to have improved their operations avoiding some of the historically problematic products and all items carried stickers/ labels with their name and address information. However, there was one item found, bath ducks, which appeared to be made of a similar type of vinyl to the dolls previously found to be non-compliant as they contained prohibited Phthalates. These were sampled and failed as they contained 329 times the permitted legal level for this toxin group. They were subsequently destroyed. It is pleasing to see improvement filtering through although interventions at the ports and borders is still proving to be invaluable in ensuring non-compliant and unsafe products are removed from the market thus continuing to protect public health. It is also worth noting that the number of inspections carried out is much higher than the samples figure. Some of these inspections resulted in rejections after the initial visual and physical examination at the inspection points, as it became very obvious to the inspectors that they were non-compliant, so sampling was not necessary. These products were taken out of circulation or re-worked.

Co-operation with DP World, the port operator, continued to be excellent with regular slots being facilitated allowing officers to carry out their inspections<sup>73</sup>. Generally speaking, once a container has been identified as requiring an inspection, the port operator endeavoured to ensure the container was presented within 24 hours to allow the inspection to be carried out in a timely manner, meaning that products inspected and found to be compliant were immediately released so as to ensure that

---

<sup>73</sup> BIS KPI 1civ

reputable importers were not being disadvantaged. The Team continued to react primarily to referrals from the Single Point of Contact but there are many other products entering the port from outside the European Union, principally from China, that do not trigger the profiles. The Team therefore continue to monitor manifests to locate consumer products for inspection and sampling and manifest checks increased substantially in the final quarter. Additionally, Border Force continue to refer consignments they came across during their surveillance work which may be of interest to Trading Standards.

During quarter three, Southampton, along with other ports, were massively impacted by the import of hoverboards and the urgent need to divert all available resources to address what rapidly became a national product safety threat. The safety risk identified is typical of the combination of components (main plug, adaptor plus lithium ion battery) but was exaggerated by the high demand. Ultimately this resulted in the Southampton team working solely on hoverboard imports. Port Health colleagues at the port were alerted to the hoverboard issue and assisted in identifying further consignments which had not been picked up by the Single Point of Contact. Upon examination of these products it was realised that it was not necessary to sample these as the previous consignments that had been sampled and failed were found to be identical.

Additional funding was approved to continue with product safety controls associated with imports at our port, external transit storage facilities and postal hub and this was very much appreciated. In the final quarter, Kent received intelligence from HMRC which resulted in 94% of those consignments inspected found to be non-compliant whilst Slough only found 3% of their HMRC postal hub referrals to be non-compliant.

## **9.6 Hoverboards- Self-Balancing Scooters<sup>74</sup>**

An estimated 1/2 million consumers bought a hoverboard for someone for Christmas 2015. Hoverboards shot to fame after the release of the films Back to the Future II and Back to the Future III. Hoverboards are illegal to ride on both pavements and roads in the UK as they are deemed too unsafe for the road and too dangerous for the pavement.

- 468 consignments of self-balancing scooters were identified by the NTS Single Point of Contact (SPoC) being imported through UK ports and border points.
- Of the 468 consignments, 195 were intercepted and dealt with by TS authorities working at the UK border points<sup>75</sup>. A further 247 were referred, by the SPOC, to Local Authority Trading Standards services (LATSS) for their consideration. These referrals to LATSS were identified as containing or likely to contain hoverboards.
- The remaining 26 consignments arrived during the Christmas period, and these consignments were identified by the SPOC and, at the start of January 2016 and in response letters were sent through to the respective LATSS for their consideration.
- The total number of hoverboards contained within consignments intercepted at UK border points was 44,878.
- The number of products contained in consignments referred directly by the SPOC to LATSS was 71,106.
- 89% of products assessed at the border were assessed as being unsafe.
- Assuming a retail value of an average of £225 per product the total potential retail value of products in consignments referred by the SPOC was £26,096,400.

---

<sup>74</sup> BIS KPI 3e

<sup>75</sup> BIS KPI 2aiii

- It is recognised by BIS, the NTS and LATSS that the significant numbers of hoverboards stopped at the border and being prevented entry has shown the importance and effectiveness of this work.
- There is much to celebrate in relation to the response from LATSS authorities and partner agencies. There are also lessons that can be learned which can help inform how to effectively and efficiently manage future risks of this type and magnitude.
- The response that was implemented has demonstrated the value of the good relationships that have been developed with UKBF officers.
- It has been established that hoverboards were imported by a wide range of economic operators from individual consumers to established businesses diversifying into new product areas. Many of these individuals lacked any understanding of their legal responsibilities in relation to product safety for these products.

The media campaign led<sup>76</sup> and managed by Grayling on behalf of NTS was highly effective and provided a clear message for both businesses and consumers about the potential risks of these products. The coverage included internet, newspapers, the Economist, radio and TV appearances by Lord Harris and Carol Garrett. It is apparent that the media coverage was picked up globally with media coverage from Australia and non EU European countries. This then alerted them to the potential risks associated with these products. This generated further enquiries from overseas both to the Single Point of Contact and to the Programme Office. In addition, the extensive media coverage exerted huge pressure on retailers of hover boards which resulted in unprecedented levels of voluntary product recalls.

A detailed initial reflections report was prepared and circulated in February 2016 to all local authorities and relevant enforcement partners including on request, the Australian Competition and Consumer Commission. It highlighted a range of issues including:-

- Recognition that the significant numbers of hoverboards stopped at the border and being prevented entry has shown the importance and effectiveness of this NTS area of work. Without it, vast numbers of these goods could have been allowed free movement and would then have to have been dealt with in multiple small quantities by all LATSS.
- The value of the good relationships that have been developed between NTS and Border Force officers<sup>77</sup>.
- The concerns about a lack of nationally coordinated response, including support for local authorities, of the type that would have previously been carried out by LACORS. This will be subject to further discussion between NTS and ACTSO but at this point in time there is neither the agreed scope nor resource to carry out this type of work.
- A need for wider use of ICSMS<sup>78</sup> that might have facilitated the desire for LATSS to have access to information, test reports and assessments carried out by other authorities.
- Concerns about the reliance on documents to demonstrate compliance as so many were invalid and copied.
- It has been established that hoverboards were imported by a wide range of businesses from individual consumers to established businesses diversifying into new product areas. There are also a growing number of private individuals importing small quantities of goods to sell and supplement income, due to the ease with which goods can be bought online and sent from third countries. Many of these businesses lacked any understanding of their legal responsibilities in relation to product safety for the hoverboards.

---

<sup>76</sup> BIS KPI 1ci

<sup>77</sup> BIS KPI 1civ

<sup>78</sup> BIS KPI 2aiii

- The need for more information available to indicate, at a much earlier stage, what might be the next “big thing” for the Christmas market each year<sup>79</sup>. This has been raised with BIS who are discussing the matter with international counterparts and industry colleagues to see what earlier intelligence can be supplied to ensure TS can be better prepared.
- A recognition that more needs to be done, at international level, to try to secure the Chinese Government’s commitment to improve standards of manufacture and compliance with EU legislation for the goods made in China.
- Reductions in resources in LATSS, with significant further cuts to come mean that the ability to respond to such significant issues is increasingly hard to deliver.

## 9.7 Case Studies<sup>80</sup>

### Tooth Whitening Products

Warwickshire Trading Standards intercepted a tooth whitening product from an importer based in Belfast and the results for hydrogen peroxide content were satisfactory so the parcel was released. The labelling was not correct so the intelligence was passed to environmental health in Belfast who visited the importer and tested the product. It contained the prohibited substance sodium perborate, which is prohibited for use in cosmetic products. The dangerous goods were seized and email alerts sent to all ports and borders so that officers are now aware of this substance and will look for it in tooth whitening products in future.

### Electrical Items

847 unsafe and non-compliant aquarium lights, CCTV camera kits, laser projectors and digital timers provided the Suffolk Team with a 100% non-compliance rate for products imported by one London based business. Contact with the Home Authority established that the London address was an office block and that the business based there merely provided a mail forwarding service and virtual office facilities. All the unsafe products were destroyed. Although the value of the goods intercepted was “only” £12,000, the real value to the team and to the Single Point of Contact was the information relating to the Company Secretary up to October 2014. He is already well known to both as being an agent for many of the highest risk importers.

Thurrock officers identified undeclared unsafe electrical items when responding to a Single Point of Contact referral. The referral identified cosmetics; however Thurrock identified that ‘goods of interest’ were spread across two containers when some shisha products could not be located. This led to a thorough examination being carried out on both containers before holds were removed. Officers then identified a number of electrical products on the paperwork that they thought to be relevant. Examinations revealed 140 electric kettles and 12 rice cookers with 2-pin plugs and 240 travel adaptors. These items were subject to a Suspension Notice, pending test results. Test results have identified all three groups of items as extremely high risk in terms of safety, with particular emphasis on the adapters. A suspension notice has now been issued and the Home Authority notified. All items sampled were deemed unsafe due to inaccurate wiring, no fuses and no earth as well as non-compliance on the 3-pin spacing.

In September 2015 Border Force referred a consignment to Leicestershire Trading Standards for examination. The consignment contained 50 sets of unbranded hair straighteners. The products were found to be copies of GHD black and silver limited edition products, without any of the GHD registered

---

<sup>79</sup> BIS KPI 2aiii

<sup>80</sup> BIS KPI 3e

trademarks applied. Officers suspected that the products were imported unbranded with the intention of branding at a later stage here in the UK, prior to sale. The products were found to pose a serious risk of electrocution and fire. The matter was referred to the inland authority for the importer in question.

At Southampton, a consignment of digital alcohol breath testers imported from China were sampled and failed as they gave wholly misleading readings. An electric ride-on car that also entered the country via this route was supplied with a travel adaptor that was dangerous. It was noted that it was possible to have all pins sets (UK, Europe and USA) operational at once with all pins being connected. This could result in the item being plugged into a UK socket with the USA pins operational and live leading to a potential electric shock. Again at Southampton, an incubator referral was made and on initial inspection, officers discovered that the packaging was missing the manufacturers name and contact details. It was also missing the electrical ratings and WEEE logo. Access to the inside components was gained via undoing several screws. The item was sent for testing which reported that the internal build was poor and that the connections to the input terminals had not been mechanically secured and were only held on by solder, even though there was provision for both. It was recommended by the test house that two forms of connection are made to prevent the wire from coming loose. The transformer was a double bobbin style with a plastic casing between each winding. The plug did not adhere to the specifications of BS 1363. The product was considered high risk due to the potential electric shock hazard and the required marking were missing from the instructions, product and the packaging.

The Suffolk team received a referral from the Single Point of Contact. The exporter, importer and agent were all known to the Team for being previously involved in the import of unsafe electrical products. The number of cartons declared was different to that physically examined. All the cartons were detained and the products within, including 5 different types of LED Lights and 4 different types of nail curing machines were all assessed as unsafe. As part of the investigation the local Trading Standards authority identified that the importer was linked to another business with previous unsafe products in their area working from the same premises, as well as an established fulfilment house in the next town. The local authority now makes regular visits to the company's warehouse to assess the compliance of the goods and to provide advice.

Leicestershire Trading Standards intercepted unbranded GHD copies hair straighteners in the run up to Christmas. A total of 284 units, with an estimated (genuine) retail value of over £30,000 were detained. Tests revealed that the products had been manufactured to a poor standard with a dangerous lack of insulation. The user would be exposed to a serious risk that the heat plates could become live with risk of electric shock to the head area of the user. Additionally, 14 consignments of a second type of hair straighteners were referred to Leicestershire Trading Standards by Border Force. This was a completely new type of product, previously unknown to officers. Research has shown that advertisements for these products began to appear on both Facebook and You Tube in October 2015. The products were aimed at the Christmas market and many of the importers are small scale internet based sellers. Non-compliances with these products varied. Some of the consignments lacked instructions and correct appliance plate markings, whilst others had been fitted with mains plugs which do not comply with UK safety standards and had an incorrect fuse and pin configuration. Officers have dealt with 2000 units of these products as the result of this Border Force targeting with many of the interventions involving Amazon who have been requested to remove remaining stocks from sale.

In February 2016 the Single Point of Contact referred a mixed consignment to Thurrock Trading Standards. The consignment of mixed products including some electrical incense burners with a 2-pin plug. The test house described the product as "lethal" as the product was effectively 'live' when plugged into a socket.

## **Mixed Consignments**

In quarter four, the Suffolk team received a referral from the Single Point of Contact which was identified as consisting of mostly undeclared goods. The consignment consisted of 1,422 products including telescopic ladders, aquarium pumps, air compressors, LED lights, CCTV cameras, exercise bikes, remote-controlled toys and children's scooters. Very few products had any labelling or product traceability information and where it was present it was, as with all instructions for use, written in Chinese. A total of 17 different samples were taken for assessment/testing and a referral made to Her Majesty's Revenue and Customs regarding the inaccurate entry documentation and potential fraud. The 778 products not declared were seized by customs.

Contact with Birmingham Trading Standards, the Home Authority, identified that they were already working with the importer in relation to hover boards and they advised that, on the basis of risk, potentially unsafe products should not be released to the importer. A complex series of discussions were undertaken with Birmingham, Customs officers, the importer and the freight agent to establish the nature and extent of the criminality in order to identify any products that could be released to the importer. Most of the consignment currently remains detained at the port pending the outcome of testing and until import duties and VAT matters have been resolved. This case study illustrates the importance of collaboration with a range of agencies in order to establish the full nature of risks and criminality.

## **Laser Pointers**

A consignment of laser pointers was stopped by Surrey Trading Standards at Heathrow. The subsequent test report showed that the battery charger posed a potential risk of electric shock and did not comply with the requirements of the Electrical Equipment (Safety) Regulations 1994. In addition the power output and labelling were found to be non-compliant and the effect of all was that they could not be sold to consumers. In total 126 laser products and 21 battery chargers were in the consignment, totalling 147 products to be securely destroyed.

## **Toys**

Border Force Targeting Team at Felixstowe identified a consignment from an importer unknown to both Border Force and Suffolk Trading Standards. The packing list described 'Furniture and Cups' however the consignment also contained children's clothing and toys. The children's clothing was identified as counterfeit Disney character onesies, so a joint intervention with the International Trade team was undertaken. The toys were unsafe and the onesies non-compliant. The Team contacted the local Trading Standards department who agreed to visit the importer. During their visit they discovered similar products to those intercepted at the border and a Suspension Notice was issued for them. With the agreement of the Home Authority, the consignment was released under a Withdrawal notice. The Home Authority has since spoken to the individual who purchased the goods and informed her that they would be destroyed. No action has been taken against the woman, who acted in good faith but lost out financially by having her items detained and destroyed.

## National Trading Standards Safety at Ports Management Data

	Apr – Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Total
	Number ; %; Monetary Value				
Samples taken <sup>81</sup>					
TSSE	38	37	44	35	154
SUFFOLK	97	97	138	80	412
OTHER	111	141	155	185	592
Compliant					
TSSE	2; 5%	9;24%	9;20%	10;29%	30; 19%
SUFFOLK	27; 28%	31;32%	41;30%	26;32%	125; 30%
OTHER	21; 19%	21;15%	27;17%	36;19%	105; 18%
Non-Compliant					
TSSE	20; 53%	9;24%	16;35%	8;23%	53; 34%
SUFFOLK	40; 41%	24;25%	31;22%	24;30%	119; 29%
OTHER	43; 39%	54;38%	38;24%	54;29%	189; 32%
Unsafe					
TSSE	16; 42%	19;51%	19;43%	17;49%	71; 46%
SUFFOLK	30; 31%	42;43%	66;48%	30;37%	168; 41%
OTHER	47; 42%	66;47%	90;58%	95;51%	298; 50%
Total non-compliant and unsafe for samples					
TSSE	36; 95%	28;76%	35;79%	25;71%	124; 80%
SUFFOLK	70; 72%	66;68%	97;70%	54;67%	287;70%
OTHER	90; 81%	120;85%	128;83%	149;81%	487; 82%
Unsafe items prevented from entering the supply chain (seized, forfeited, returned to point of origin).					
TSSE	9,304; (£286,563)	59,233 (£1,824,376)	12,032 (£370,585)	5,212 (£160,529)	85,781; (£2,642,054)
SUFFOLK	30,021; (£924,647)	53,602 (£1,650,941)	55,970 (£1,723,876)	34,323 (£1,057,148)	173,916 (£5,356,612)
OTHER	142,660; (£4,393,928)	10,061 (£309,878)	19,027 (£586,031)	14,841 (£457,103)	186,589; (£5,746,941)

<sup>81</sup> Results shown are based on results received.

Non-compliant items identified, held or reworked					
TSSE	47,777; (£1,471,532)	10,378 (£319,642)	296,272 (£9,125,177)	157,767 (£4,859,223)	512,194; (£15,775,575)
SUFFOLK	270,230 (£8,323,084)	79,701 (£2,454,791)	13,378 (£412,042)	84,651 (£2,607,250)	447,960 (£13,797,168)
OTHER	25,018 (£770,554)	8,259 (£254,377)	4,390 (£135,212)	33,929 (£1,045,013)	71,596 (£2,205,157)
Total unsafe/non-compliant items prevented from entering supply chain.					
TSSE	57,081; (£1,758,095)	69,611 (£2,144,019)	308,304 (£9,495,762)	162,979 (£5,019,753)	597,975 (£18,417,630)
SUFFOLK	300,251 (£9,247,730)	133,303 (£4,105,731)	69,348 (£2,135,918)	118,974 (£3,664,399)	621,876 (£19,153,780)
OTHER	167,678 (£5,164,482)	18,320 (£564,256)	23,417 (£721,244)	48,777 (£1,502,332)	258,192 (£7,952,314)

Table 6 - Safety at Ports Results 1015/16

**Overall % unsafe/non-compliant of all samples taken and results received =77% (898/1158);**

**Total monetary value (Saving to society of each product taken out of supply chain calculated at £30.80 per product evidenced in Matrix 2014 Report) = £ 45,523,724**

Well-Being Detriment <sup>82</sup>	Serious Injury Avoided	Fires Prevented	Lives Saved
	1,035	887	3

Table 7 – Well-being detriment prevented by Safety at Ports Work

Well-being detriment calculated on the basis of formula produced by Matrix linking unsafe and non-compliant items detained with physical harm averted.

<sup>82</sup> BIS KPI 3e

## **Chapter 10 - National Trading Standards Scambuster Teams**

### **10.1 Background**

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

### **10.2 Overview**

A number of operations were successfully concluded after long running investigations and trials, with 24 defendants receiving 86 years of prison sentences and £200,000 in fines. Over the year 46 defendants were convicted, with total custodial sentences of over 114 years with a further 22 years of suspended sentences, just under £215,000 in fines imposed, over £525,000 in court costs and £928,000 in confiscation awarded, and almost 2,000 hours of community service imposed.

The inappropriate sale of solar panels by rogue traders featured in the latter part of the year, and a number of car clocking cases have reached court.

Many of the historic cases undertaken by the Scambuster Teams are coming to fruition with several court cases listed for trial during early 2016/17. The Teams are working closely with their barristers to ensure those cases are ready for trial and continue to investigate a wide range of matters with two of the largest and most complex cases. An assessment suggested that on average it takes 3 years for a scambuster style case to come to court.

The “One Team” ethos continues to thrive and the relationships between the Teams and outside partners continues to develop, as evidenced in many of the examples provided below, but particularly in Operation Slick where the suspects are involved in tarmac/surfacing work and targeted parts of Wales and the South West and South of England. Evidence of offences across three Scambusters regions where activity has been reported is being gathered with Wales agreeing to take the lead for the investigation. Similarly in Operation Silk one of the Teams continues to work with the West Mercia and West Midlands police forces in relation to a Spanish timeshare scam and after what started as an initial investigation by a Scambuster Team escalated into a large scale operation to target suspected organised crime groups.

In order to support the developing systems, processes and performance in the Scambuster workstreams, visits to all regions have continued throughout the year. These visits have deliberately been informal in nature to develop further working relationships with the Teams and to separate the process from previous visits which had been seen as being more inspection/audit driven. The aim was to act as a ‘critical friend’ and create the opportunity for a two way dialogue between operational teams and the Governance Group.

It is clear that there have been significant improvements, in all regions, particularly in respect of the robustness of the tasking process. Regions are making informed decisions, prioritising the right level of cases and, just as importantly, refusing and re-directing other matters. In most, if not all, cases Regional Tasking Groups are no longer just acting for/on behalf of Scambuster Teams; there are clear links to other enforcement agencies and local authority services, thus allowing matters to be tasked to a wider set of services.

In this regard through the development of its improvement plan, the North East Trading Standards Authorities (NETSA) has developed a robust set of processes that underpin the work of its Scambuster Team. In some respects these are developed further than other regions and represent best practice. In common with most regions NETSA has accepted the main principles of the Intelligence Operating Model and now has stronger tasking processes. Proceeds of Crime procedures are firmly embedded at an early stage for all newly tasked matters. All ongoing cases have been revisited to assess what opportunities might have been missed. The development of staff skills, knowledge and expertise is an ongoing process that will take longer to deliver. The nature and level of criminality of ongoing cases has improved but the realisation of these matters will obviously take longer.

### **10.3 Good Practice**

In order to further implement and develop the use of the CRIMSON case management system for the Scambusters' workstream, a user group consisting of Scambuster Team Managers, the Programme Office, and WPC Software continues to meet every six months. The first meeting discussed the adaptation of the system to better meet the Scambuster Teams' needs. All the Teams continue to provide suggestions to the user group members as how best to develop its use in their region.

Significant progress has been made during this year regarding the implementation and use of the Crimson case management system. All teams are uploading information and documents onto the system for new cases. This is reflected in the breakdown of current cases where there are over 4,000 records of suspects, addresses, vehicles, organisations etc and covering over 80 active investigations being undertaken by the eight Scambuster Teams. Furthermore the types of cases being investigated by the Teams demonstrates a wide spread of criminality being tackled with Fair Trading, Doorstep Crime, Intellectual Property, and eCrime representing approximately 90% of the total and Product Safety and scams comprising the remainder

The Tri Region Team are yet to fully utilise the system as its delivery model of supporting host authorities in proceedings leads to authorities using their own systems to manage investigations. However, Tri Region Team is committed to using Crimson and is looking make the use of Crimson a requirement in many of its agreements with host authorities.

Use of the system by the Teams is also improving with half of the Teams utilising most areas of the system well with those teams more advanced in their use of the system all reporting benefits particularly in the areas of legal processing and disclosure. Where use is less well developed ie with an over reliance on 'forms' and limited use of investigative areas of the system further tailored training will be offered by WPC Software to help improve knowledge and understanding.

Longer term aspirations include the mapping of system capability with current quarterly and annual reporting requirements to reduce administrative burdens on operational teams.

There was a 2 day development event in March for the Teams, inviting a wide range of speakers to present items on disclosure, identification under PACE Code D, changes and challenges to powers and an overview of modern slavery. Bringing the Teams together also provides them with the opportunity to share their Teams' highlights and useful experiences. The event also provided the chance for the Teams to give feedback on the tasking processes, managing legal costs and performance and financial oversight. This will feed into the workshop scheduled for May 2016 aimed at simplifying tasking and reporting.

## **10.4 Publicity**

Throughout the year the Scambuster Teams operations have enjoyed a lot of media interest<sup>83</sup>. Television and radio programmes have featured Scambusters' cases and the Teams' representatives have appeared on the BBC's *Fake Britain* and the *Crimewatch Roadshow* and Scottish TV's *Scammers*.

Cases<sup>84</sup> have been reported in local and national newspapers to report the outcome of a prosecution and warn the public about scams and the cons fraudsters play on consumers and business. Examples include cold calling for home improvements or mobility aids, pyramid selling, fraud and exploitation. Some of the defendants' alleged flamboyant lifestyle where they flashed their supposed wealth generated a lot of local publicity in a couple of cases.

The BBC's *Fake Britain* programme is following several of the Yorkshire & Humber Team's investigations; they filmed the execution of warrants in Operation Funder<sup>85</sup> during May.

Many of the cases detailed below, received local and regional media interest at times of arrests, convictions and sentencing and all the teams wrk closely with Grayling to ensure maximised coverage.

Every year, the City of London Police hosts an awards ceremony to honour members of staff for outstanding achievement throughout the year. This year the Tri Region Scambuster Team was nominated for the 'Team of the Year' award for Operation Broadway and were awarded a Griffin trophy in recognition of all the hard work and excellent results achieved in the first year of this operation. This is a joint operation<sup>86</sup> involving the City of London Police, City of London Trading Standards, Tri-Region Scambusters, the Metropolitan Police and other regulatory agencies. The purpose of the operation is to combat investment scams (boiler room fraud). Utilising Trading Standards' powers of entry, targeted visits to suspected boiler rooms were conducted by the joint agencies. Assessment of their 'business practices' was followed by advice, disruption and/or prosecution action by the Police as appropriate.

In a curious twist, on 15th May the Tri Region Team Officer attended an 'Alternative investment' seminar at the Hilton Olympia to assist manning the Action Fraud stand. Interestingly, of the nine companies that booked stands, four failed to attend after it was announced that Operation Broadway had a stand at the event. One of these companies was to give a key-note speech on investing in wine. Contact was made with a range of investors, including some repeat victims and the chairman of the UK Shareholders Association with over 650 members, all of whom are individuals that invest in all areas, including alternatives. He has offered to have links to Action Fraud on their website as well as post notifications of scams.

The BBC's *Crimewatch Roadshow* requested permission to film an Operation Broadway<sup>87</sup> deployment, visiting a number of suspect premises throughout the City of London. In one office the director refused to be filmed. He left the office saying he needed to call his 'Shareholders'. He failed to return. That night the staff returned to their office and removed most of their property, never to return. This company is now subject of a criminal investigation. When the film was aired in June, it included footage of a victim talking about how he had been conned out of his life savings. It told a depressing tale and will hopefully have prevented others from falling into the same trap. The film clearly demonstrated the powers held by

---

<sup>83</sup> BIS KPI 1ci

<sup>84</sup> BIS KPI 1ciii

<sup>85</sup> BIS KPI 1ci

<sup>86</sup> BIS KPI 1civ

<sup>87</sup> BIS KPI 1ci

Trading Standards and the fact that these powers were being fully utilised to tackle these despicable crimes. It is hoped such publicity will help deter other such companies from starting up.

## **10.5 Proceeds of Crime**

The following cases with POCA applications were completed in 2015/16 successful prosecutions.

Operation Sandpiper	1 Confiscation Order	£2,000
Operation Horatio	2 Confiscation Orders	£45,000
Operation Kennett	1 Confiscation Order	£124,526
Operation Ernest	2 Confiscation Orders	£189,525
Operation Polo	3 Confiscation Orders	£63,990
Operation Sureshot	1 Confiscation Order	£131,834
Operation Sphinx	9 Confiscation Orders	£353,282
Operation Sahara	2 Confiscation Orders	£64,875
<b>Total</b>		<b>£975,032</b>

Table 8 – Completed POCA applications by Scambusters 2015/16

## **10.6 Completed Cases<sup>88</sup>**

The following examples of cases that have been completed this year demonstrate how the Scambuster Teams and Trading Standards Services are working with business to improve standards and behaviour as well as combatting consumer detriment. Most but not all cases, result in legal proceedings, a few have been dealt with by other means, including a call centre who agreed to enter into a home authority relationship to deal with rising complaints, guidance and referrals to other enforcement agencies or cessation of action if the business has stopped trading. This is not a complete list of all cases taken.

### **Operation Angel**

This was one of the largest cases NTS has taken on. It was tasked to the Yorkshire and Humber Team to investigate. It related to ongoing large volume and complex frauds in relation to the sale of kitchens. After a five month trial at Manchester Crown Court the jury delivered the last of their verdicts on 29<sup>th</sup> March 2016.

David Hourigan, Martin Sersen, Matthew Leak, Richard Brundrett and Nicola Brodie were found guilty of offences under the Consumer Protection from Unfair Trading Regulations. Brodie was also convicted of conspiring to contravene Section 92 of the Trade Marks Act in relation to advertising the kitchens as B&Q. A sixth defendant, Karen Stocks had pleaded guilty to Consumer Protection from Unfair Trading Practices Regulations 2008 and Trade Marks Act charges at the outset of the trial. The jury found all defendants not guilty of conspiring to defraud customers of conspiring to money launder. Sentencing will take place in June 2016.

A program of website ‘take downs’ is continuing and three further defendants remain indicted for Consumer Protection from Unfair Trading Practices Regulations 2008, conspiracy to defraud and money laundering allegations. There is an outstanding warrant for the arrest of another defendant. Investigations are continuing into the latest ‘versions’ of the business which is operating under different trading names.

---

<sup>88</sup> BIS KPI 3a

## **Operation Sandpiper**

The Scambuster Team supported Cornwall Trading Standards Service in this case that concerned the conduct of Mr Carter, an art dealer who was believed to be dealing in paintings and other artistic works that were fake and/or falsely attributed to a variety of reputable artists. Many of the paintings were sold or advertised with limited or dubious provenance. This included false or misleading statements (or omissions) in respect of both authenticity and previous ownership. The potential financial detriment from Carter's conduct was considerable. Seven suspect paintings alone account for an advertised value of £202,650 (an average of £29,000 each). Carter was obtaining an average retail profit margin of some 1,800% per painting.

He pleaded guilty plea to 7 fraud charges and was sentenced on 16 July 2015 to 12 months' imprisonment suspended for 2 years and was ordered to carry out 200 hours of unpaid work in the community. He was also ordered to pay £50,000 costs. A confiscation order was made for £2,000. *The financial value of complaints that were the subject of the investigation amounted to £171,750.*

## **Operation Carmen**

The Scambuster Team supported Hampshire Trading Standards Service with a proactive intelligence and enforcement operation targeting identified offenders at Blackbushe Sunday Market who were selling counterfeit goods. This was a significant business: running several pitches at the market, importing goods from China and Turkey and, in a single month, able to transfer £17,000 to an account in Pakistan. The three defendants all pleaded guilty to participating in a fraudulent business with all other offences to lie on file. At Winchester Crown Court on 11 August 2015 they were sentenced to:

- Itfaaq Zai – 6 months imprisonment suspended for 18 months with 150 hours unpaid work
- Hassan Ahmed - 18 months imprisonment suspended for 24 months; 250 hours unpaid work
- Mr Zeshan Azmat - 12 months imprisonment suspended for 24 months; 230 hours unpaid work.

## **Operation Rose**

This large scale wine investment fraud was investigated over 2½ years with the Scambuster Team supporting London Borough of Tower Hamlets Trading Standards Service. By cold calling, email mass marketing and website promotion, the involved linked companies promised high returns for investment in En Primeur wine, which is investment grade wine that is in the barrel at the different Chateaus in Bordeaux. After bottling, the wine was to be, allegedly, stored under Bond and not delivered to the purchaser. This enabled a wide window of trading opportunity before complaints were made.

After a three week trial at the Old Bailey, Spyros Constantinos, was convicted on all charges, six for fraudulent trading and four for acting in contravention of disqualification undertaking under s.13 of the Company Directors Disqualification Act 1986. He had signed an Undertaking in 2008 after his first wine investment business failed, owing investors £450k.

He was sentenced on 29 July to eight years imprisonment and banned from Directorship for 12 years. He was convicted of fraudulent trading between 1 September 2007 and 1 October 2013. Bank account analysis between these dates show that £8.3 million fresh money passed through his accounts during this period; this figure has determined his criminal benefit for confiscation proceedings (POCA) which are ongoing. *Identified consumer detriment is £4.5m, based on the 230+ consumers that returned a questionnaire or contacted Trading Standards.*

## **Operation Krypton**

This operation concerned an investigation into two businesses that canvassed their customers by cold calling from call centres in the Wakefield area, pressurised people into unnecessary building work and charged extortionate prices for sub-standard jobs. The case took three 3 years to come to trial owing to lengthy adjournments caused by the ill health of one defendant.

Marc Charles Jones, trading as Home Improvement Centre and a mobility aids business, Adjust 4 Life Ltd, pleaded guilty in June 2015 to counts of fraud, acting as a company director whilst disqualified, contravention of the Consumer Protection from Unfair Trading Regulations 2008. He was sentenced to a total of 3 years' imprisonment for fraudulent trading and disqualified from acting as a director for 12 years. He was ordered to pay £10,000 compensation to the elderly victim in Huddersfield.

Nathan Jones was sentenced to undertake 80 hours unpaid community service within the next 12 months and to pay £500 costs for operating without a consumer credit licence whilst being a director of Adjust 4 Life Ltd.

One victim was a 74 year old man in Huddersfield who was repeatedly contacted by telephone and eventually agreed for someone to call. He eventually gave a price of £4,000 for damp proofing a stone terrace house. The victim tried to cancel and agreed a lower price of £2,500. In the end he ended up paying £36,000 for shoddy and unnecessary work. The victim was persuaded by Jones to borrow £36,500 on equity release to pay for the work. The victim now owes £47,000 and suffers sleepless nights worrying about what he did and how his debt is escalating annually. The surveyor who examined the work deemed it to be not fit for purpose and significantly overcharged by approximately £16,000.

## **Operation Beowulf**

This was an investigation for Middlesbrough Trading Standards Service, supported by the Scambuster into a self-styled "millionaire" who defrauded internet users out of thousands of pounds whilst boasting of owning mansions and expensive cars. The defendant uploaded videos of what he claimed was his own home to illustrate the wealth he supposedly accrued by running his internet business.

At the trial at Teesside Magistrates on 8 September 2015, the defendant pleaded guilty to six charges of fraud and at trial he was found guilty of one further charge of fraud of "false representation", one against section 9 (in relation to operating a "fraudulent business") and a final count of operating a Pyramid scheme. The Defendant was sentenced to 24 months in prison.

## **Operation Stepover**

David Argyle, a Director of Energysave Midlands Ltd and Aquashield Ltd, was sentenced on 22 December following guilty pleas for 12 Consumer Protection from Unfair Trading Practices Regulations 2008 offences. Under his Directorship these two companies targeted the elderly and vulnerable, pressuring them into paying large sums up front for work to the exterior walls and roofs of their homes, which was often not required or ineffective. They offered fictitious time limited discounts, commenced works before the end of the cooling off period and ignored complaints and requests for redress. Argyle was sentenced to 12 months for each of the 12 counts suspended for 2 years, ordered to carry out 250 hours community work and disqualified as a Director for 7 years. *The consumer detriment/value of the fraud as determined by the Court in sentencing was £14,000.*

## **Operation Azor**

This operation concerned a landscape gardener who charged exorbitant prices for poor quality work. The case against Benjamin Brown, 62 was led by Buckinghamshire and Surrey Trading Standards supported by the Scambuster Team. Brown's offences were carried out over a seven-year period from 2006 to 2013. He advertised in local newspapers, in parish magazines and by posting adverts through doors. Customers complained that queries about price or the standard of work led to threats, verbal abuse and aggression. Examples of the incidents for which the defendant was charged include:

- A woman in her 90s approached Brown after seeing a newspaper advert. Brown started work at her home without giving her any notice of her cancellation rights and charged her £24,500. A surveyor later judged the value of the work to be only £400.
- Brown charged a man £17,000 for works carried out at his home, again after failing to give notice of cancellation rights. A surveyor valued the work at £200.
- A third victim paid £7,000 for work carried out in his garden. Brown returned on a number of occasions without prior arrangement and started work not requested by the customer, who felt too intimidated not to pay. He paid Brown £1,500 simply for tidying his garden.

Brown pleaded guilty in June to eight Fraud Act offences and four Proceeds of Crime Act offences, which relate to sums up to £665,000. He was jailed at Guildford Crown Court on Tuesday 20 October 2015 for 3½ years and will also face a Proceeds of Crime Act hearing to recover money he conned from his victims. *Consumer detriment in this case amounted to £665,000.*

## **Operation Sunshine**

The Team supported Oxfordshire Trading Standards with this major investigation into the firm, Solar 4 You, selling solar panels to elderly and vulnerable people across the London, East and South East regions and beyond. Elderly people were cold called with the promise that they would get an income from the electric company. They were then sold solar panels/systems which were not approved and were not necessary. The fitters were not approved and therefore the homeowner did not get the required certificate to obtain the tariff that was originally agreed. The company made false claims and they were aggressive and intimidating in the way they sold the product.

In September 2015, at Oxford Crown Court the two minor players were sent to prison for CPR and Fraud offences. Sri Basavarju received 8 months' imprisonment and ordered to pay £1,000 costs. Thomas Murray received 6 months' imprisonment and £1,000 costs. In November the main suspect, Jason Cunningham, was sentenced to 19 months' imprisonment and disqualified from being a Director for 7 years. *The estimate criminal benefit is over £243,000.*

## **Operation Superb**

This investigation concerned a group of itinerant traders operating a business under a number of different names in the South West and other areas. The trading activities of these businesses were clear Fraud Act and Business Protection from Unfair Trading Act 2008 offences and operated across the country. The traders' practice was to cold call consumers such as, schools, health centres, community centres and religious establishments and agree a price for marking white lines and similar in car parks, stating they were from the Local Authority/Highways Agency, working in the local area with paint left over, which was untrue. After the work was completed, victims quite often found that more work had been completed than agreed and a higher price was demanded than originally quoted. The work was invariably of poor quality. Following forensic examination by a facial mapping expert of photographic images, the main defendant, Leslie Smith was linked evidentially to 3 different identities.

On 25 April 2014, Smith appeared before Bristol Crown Court, where he pleaded guilty to an offence of Fraudulent Trading, contrary to Section 9 of the Fraud Act 2006, covering his offending between 2008 and 2012. Following various adjournments, Smith appeared at Bristol Crown Court on 30 September 2015 and was sentenced to 16 months' imprisonment. *The general criminal benefit as determined by the Court was £202,016.*

### **Operation Silk**

The scambuster team's evidence and intelligence gathering identified two police forces<sup>89</sup> as having an interest in a fraud gang who targeted the elderly in a £1m Spanish timeshare scam. Victims were told they had to pay tax and legal fees while at the same time being promised an increased payout on their investments. It was agreed the team's evidence would feed into two police operations and that the CPS would prosecute both cases. West Mercia police still have 13 defendants and almost 500 victims but are not yet ready to run their prosecution. West Midlands police have proceeded in relation to up to 38 people that were tricked into paying out their money to a ruthless 2 year scam, one victim having lost £250,000 and another being left suicidal after being conned. The cold-calling gang have now been jailed for a total of 32 years at Birmingham Crown Court with the victims being mainly in their 70s and 80s, the conspiracy having run from February 2011 to April 2013. One victim was a woman who was wheelchair-bound and suffered from multiple sclerosis. She had told the gang about her illness but the fraudsters had been "utterly ruthless" in pursuing her. Another victim paid out £165,000 and had been given "promise after promise" that he would get his timeshare sale but the scam lost him his life savings and he later separated from his wife after 28 years marriage.

Seven defendants were give prison sentences for conspiracy: Emma Jelf - 8 years; Luke Jimenez - 8 years; Amarjit Bagharian - 7 years, 2 months; Hivjot Bagharian - 7 years, 2 months; Todd Mann - 5 years, 4 months; Mandy Castellain - 6 years, 7 months; and Richard Buxton - 5 years, 7 months. Three defendants were imprisoned for money laundering: Toby Mann - 8 months suspended, 150 hrs community service and a 12 month supervision order; David Baylie - 12 months suspended, 170 hrs community service; and Neil Poole - 1 year & 20 weeks suspended, 200 hours community service. *The financial value of the complaints that were the subject of this investigation is £1,012,969.*

### **Operation Pioneer**

This investigation, led by Hammersmith & Fulham's Trading Standards and supported by the NTS eCrime and the Scambusters teams, discovered two suspects advertising cars on the Autotrader or Gumtree websites. The cars were sold with fake MOTs and falsified service histories and in some cases, the mileages had been reduced by as much as 100,000 miles. The defendants used false names and telephone numbers to hide their identities, and met potential buyers in various locations in West Kensington. Evidence supporting the sale of 13 'clocked' cars was obtained and warrants sought for three residential addresses. A cash seizure was made of approximately £10,000.

Two defendants, Krystian Skowronski(KS) and Eryk Dymiter pleaded guilty on 20<sup>th</sup> November 2015 to conspiracy to defraud and Skowronski also pleaded guilty to money laundering. Each was sentenced to 18 months for conspiracy to defraud. His Honour, Judge Winstanley commented while sentencing that this was a 'sophisticated, planned operation' that was 'cynically carried out over the course of a year' and 'Motivated by personal greed'. A POCA case proceeds with confiscation hearing set for July 2016. *Consumer detriment amounts to £10,000 in this case.*

---

<sup>89</sup> BIS KPI 1civ

## **Operation Ernest**

The Scambuster team's investigation developed evidence from British Car Auctions, Autotrader and Central Car Auctions relating to over 200 clocked cars with 'victims' throughout the UK. Over £5,000 in cash was seized and Restraint Orders placed on the suspects' bank accounts for over £100,000 and 33 vehicles.

In January 2016, Humayun Tariq pleaded guilty to two charges of Money Laundering and he was ordered to pay £20,000 costs and was eventually sentenced to an 18 months' imprisonment suspended for 2 years.

After one week of the trial, in which all witnesses evidence was agreed and read, the Judge stated that the case was 'impenetrable' and asked what the defence case was, as she could see no explanation to the prosecution evidence. On 25 January the two remaining defendants, Shoaib Tariq and Uzair Tariq, were found to have fled to Pakistan. The Judge issued arrest warrants for both defendants and allowed the trial to continue. They were found guilty of fraud and money laundering offences and both received 4 years' imprisonment. They were sentenced on receiving a profit from their criminality of £189,525.

On 9 March 2016 both defendants were also found guilty in their absence for the Contempt of Court offences, for selling cars that had been restrained, and sentenced to an additional 6 months each. They have been circulated as wanted on PNC as well as being on the HMRC 'watch list'. *Criminal benefit as determined by the Court (POCA) is £189,525.*

## **Operation Polo**

The Scambuster team supported trading standards in this protracted investigation into the online sales of vehicle registration plates that revealed a range of offences including the failing to register with the DVLA as a number plate supplier as required under the Vehicles (Crime) Act 2002, failing to request relevant documentation to prove the identity of the person applying for the number plate and applying car manufacturer's trademarks to the vehicle registration plates without the permission of the trade mark holders. Unsuspecting customers may have believed that the number plates bought from the business were legal to use on the road when in fact they were not.

The main defendant was prosecuted by Milton Keynes Trading Standards in 2011 for similar offences to which he pleaded guilty. He then set up the new company, trading in the same illegal way, going to great lengths to try and 'hide' the business to ensure that it would not be detected by Trading Standards.

On 29 January 2016, at Luton Crown Court, after previously admitting conspiracy to commit Trade Mark Act offence, Steven Clarke was sentenced to 1 year, suspended over 2 years and 240 hours unpaid work and ordered to pay £200,000 costs and £25,000 as his share in the proceeds of crime. He's also had to forfeit £3,990 cash seized. John Clarke & David Bagnall both received 6 months, suspended over 1 year and 100 hours unpaid work. Confiscation orders were also granted against John Clarke and David Bagnall of £25,000 and £10,000 respectively. *Criminal benefit as determined by the Court (POCA) is £63,990.*

## **Operation Sureshot**

In the autumn, the defendant was sentenced to an 18 months' imprisonment sentence for fraudulent trading, fraud and trademarks offences. The case was prosecuted by Wrexham Council following a

lengthy investigation by the Wales Scambusters Team, supported by the local Trading Standards team in Wrexham. A confiscation order of £131,833.76 was made in relation to Pritchard. The defendant also admitted that he had breached the Restraint Order made by Cardiff Crown, amounting to three counts of Contempt of Court. He was sentenced to additional 4 months' custody for this. *Criminal benefit as determined by the Court (POCA) is £200,000.*

### **Operation Galion**

This joint operation with Merseyside Police Economic Crime Unit<sup>90</sup> was reported in the last quarter. This UK wide publishing fraud caused considerable business detriment with 11,000 victims being identified and an estimated £5.2 million criminal benefit of the scam during its life. After a successful twelve week trial the defendants were sentenced on 22 January 2016. Three were convicted after trial. The other seven defendants changed pleas to guilty as the evidence unfolded.

George Williams, from Bootle, Merseyside, was sentenced for 7 years for conspiracy to commit fraud by false representation and fraudulent trading. Ronnie Lloyd, 45, was sentenced to 1 year, Martin Cullen - nine month sentence suspended for two year plus 300 hours community service, Tony O'Neill - seven month sentence suspended for two years plus 300 hours community service, and George Randles - 150 hours community service. *Criminal benefit is estimated in excess of £5.2m.*

### **10.7 Ongoing cases<sup>91</sup>**

There are a number of significant investigations that are currently ongoing in all Teams. A few examples include:-

Operation Spinnaker which was a very large scale long term case, tasked to the TSEM Scambuster Team which related to Business Advertising Fraud. A trial of 12 defendants is scheduled for 12 weeks commencing April 2016.

A case involving tarmac/surfacing work and targeted parts of Wales and the South West and South of England. A financial investigation has begun, restraint orders prepared and production orders sought on all accounts (currently five). *Initial examination of the bank statements has indicated that the criminality is an estimated £735,639.41 for the period of 01/01/2015 to 26/02/2016.*

An investigation into two businesses engaged in cold calling activities throughout the South West, offering driveway tarmac and brick paving works. In some cases consumers have been put under pressure to agree to works, either through daily repeat visits by the trader or by spray painting a large amount of marks over the area of garden/driveway. Restraint orders are in place on 4 UK bank accounts controlled by the suspects and with a balance totalling just under £116,000. The Irish Garda intend to fly over to conduct a joint interview the account holder.

An investigation into allegations of conspiracy to defraud by a debt recovery company in the North West. This purported to be a legitimate debt recovery business but the evidence indicated that it was an advance fee fraud, taking fees from victims in return for a promise to recover debts, while doing little or nothing to achieve this. On day one of the trial both defendants pleaded guilty to conspiracy to defraud and fraud by false representation. Sentencing has been adjourned to a date in April 2016.

---

<sup>90</sup> BIS KPI 1civ

<sup>91</sup> BIS KPI 3a

The selling or supply of solar panels where defendants persuaded customers to either: sign up for a 'rent a roof' scheme, involving payment of an administrative fee (most victims were caught by this scam paying between £250 and £365; or sign up to pay in full for the supply and fit and solar panels (victims paid a deposit of approximately £3,500). Consumers reported that money was paid to the firms but that no products were ever supplied. There have been almost 90 complainants across the Central England region and losses of approximately £30,000 were identified, Defendants have pleaded guilty but sentencing is yet to be completed. *Consumer detriment identified in this case was £30,000.*

Another case involving the mis-selling of Solar panels across the East, South East and London area. Complaints tended to be from retired elderly people in their 60's/70's with little or no disposable income. The victims were informed and agreed to the installation on the basis that it is free and any costs will be covered by income generation. The victims were signed up to a 10 year loan agreement with finance costs of approximately 50% of the installation costs, around £6,000, with the total amount repayable approximately £8,900. Income from the system typically covers 25-30% of the cost of the loan. There is £1m under restraint and a number of further investigations pending into numerous entities. *The Team is aware of approximately 3,500 installations with a net value approximating £30m.*

An investigation into a small chain of letting agents who are failing to protect tenants' deposits, misleading landlords about tenants' deposit protection, misleading tenants' deposit protection schemes about clients' accounts and business identity, and issuing tenants with "Licenses" rather than more appropriate "assured shorthold tenancies". Over 4 years there have been 33 cases covering the 3 branches from tenants, landlords, buyers and sellers. *The estimated detriment is £457,000.*

An investigation into breaches of Intellectual Property Rights relating to Sky/BT Sports packages (showing English Premier League content) in pubs and clubs across the North East. The team is supporting the lead partner, Federation Against Copyright Theft (FACT) and local authorities with operational delivery. Detriment to the main parties is approximately £500,000 per annum (minimum) from loss of income. Detriment to local retailers who do not take illegal feed and being impacted by those who do is currently unknown but likely to be substantial.

Another investigation into an East Midlands based firm primarily involved in the sale and installation of solar panels and alarm systems. There are a significant number of elderly and vulnerable victims. Victims have been identified throughout the East Midlands and further afield in the West Midlands, Yorkshire, Humberside and Dorset. *Three of the thirty victims paid between £30-40,000. The combined detriment amounts to £293,000.*

## National Trading Standards Scambuster Management Data

General Outcomes	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Total
Number of Scambuster operations commenced	9	1	3	6	19
Number of Scambuster operations concluded	9	11	17	14	51
Number of Operations concluded where Scambusters gave assistance to another Agency	4	8	11	10	33
Number of successful prosecutions	0	6	9	7	22
Number of victims	291	460	820	11,398	12,969
Consumer detriment avoided through Scambuster 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	£116,000	£4,537,875	£3,957,529	£826,825.75	£9,438,229.75
Number of defendants convicted	0	10	12	24	46
Total fines imposed	0	0	£14,850	£200,000	£214,850
Total custodial sentences imposed	0	18 years 9 months	9 years 7 months	86 years	114 years 4 months
Total suspended sentences imposed	0	4 years	12 years	6 years 7 months	22 years 7 months
Community service penalties	0	5 (910 hrs)	1 (120 hrs)	6 (960 hrs)	12 (1990 hrs)
Other penalties					19
Written warnings	5	3 (informal)	0	0	
Confiscation order		1 (£2,000)	0	6	
Ban on becoming a company director		2 (12 years)	2 (14 years)	0	
Compensation awards to victims (*to be paid from POCA confiscation)	0	£25,000	0	£4,525	£29,525
Court costs awarded	0	£500,000	£7,578.71	£18,575	£526,153.71
Enterprise Act Undertakings	1	0	0	0	1
Enterprise Act Orders	0	0	0	0	0
POCA Confiscation awards Imprisonment in default	0	£2,000	£169,528 (12m) 2 x £22,500 (2 x 9m)	£803,506	£975,032
Publicity (includes press releases issued, TV, Radio, Article Local news items)	Features on BBC's Fake Britain and Crimewatch Roadshow, newspaper and local radio	1 interview with BBC Several newspaper reports locally and nationally	3 TV features Several newspaper reports locally and nationally	Feature on BBC's Fake Britain. Daily Mirror, Birmingham News/Mail reports locally and nationally	

Table 9 - National Trading Standards Scambuster Management Data

## **Chapter 11 - National Trading Standards Scams**

### **Team**

#### **11.1 Background**

Mass marketing scams, which are often targeted specifically at vulnerable or disadvantaged consumers, cause approximately £3.5 billion of detriment to UK consumers (based on 2006 OFT data) per year. However the NTS Scams Team believes that the figure could actually be between £5 and £10 billion. It is estimated that for every £1 of funding received, the Team saves consumers £81.50 (Total predicted and actual savings to consumers/total grants from NTS).

The NTS Scams Team is hosted by East Sussex Trading Standards Service and became a NTS core funded Team for 2014-15. The Team currently has 10 full time equivalent staff. For 2015/16, the work is overseen by the NTS Central Governance Group.

The Team approaches and enters into a service level agreement with a local trading standards service and, capacity allowing, that local authority commits to engaging with the victims that have been identified in their geographical area. The Team has signed up 22 local authorities during 2015-16 and currently has 171 (86%) local authorities signed up across Great Britain. The local authorities feed back to the Team at four week intervals, allowing consumer detriment and savings made for the individual as a result of that intervention to be measured. Where a local trading standards authority is unable to support the project then the Team will approach other agencies in the area to try to ensure the victims get the help they need. In Scotland feedback is provided via TS Scotland.

Since the Team's inception it has continued to engage with national and local partner agencies. The Team has 14 key partners signed up to the project. Throughout the year the Team has had the opportunity to participate at a number of conferences and has seized every opportunity to engage with politicians, both ministerial and local. The Team's profile has risen as a consequence of its involvement in Doorstep Crime work.

#### **11.2 Team Review**

At its meeting in May 2015, the Board considered a proposed timetable for conducting external reviews of various NTS work areas. Whilst internal reviews are key on driving improvements, the Board acknowledged that it is also important that the NTS open itself to scrutiny and externally validated analysis has proved valuable in enhancing the NTS's ability to demonstrate value for money, impact and detriment. It was agreed that as part of this there would be a review of the Scams Team during 2015/16.

The main aims and objectives of the review were:

- How effective has the disruption to Mass Marketing Fraud (MMF) been?
- How has the Scams Team reduced the impact of MMF scams on consumers?
- How has the Scams Team effectively reduced consumer detriment?
- How has the Scams Team improved the lives of victims (and their families)?
- How effective has the Scams Team worked with partners?

Rand Europe were commissioned to undertake the review and submitted its findings at the end of March 2016. It recognised that the Scams Team 'delivers significant added value' and recognised the team's

'unique and highly valued' role in action to combat Mass Marketing Fraud. Rand Europe has also suggested a means to calculate the 'value of consumer detriment avoided' as a consequence of the intervention of the Scams Team. Broadly speaking the report is supportive and positive but it does suggest the need for improved data capture and quality; to focus more on early preventative action to close scams down including working with other NTS workstreams; and for the Scams Team to have a clearer strategic overview. Similarly given the size, scope and impact of mass marketing fraud, the report asks whether NTS could support the team more than it does currently and whether there is a need to lobby for legislative change. The report and its recommendations will be considered, in full, by the NTS Board at its meeting in May 2016.

### **11.3 Research<sup>92</sup>**

The Team continues to support the work with Bournemouth University on research into scams and scam victims with the aim of establishing the following<sup>93</sup>:

- Whether early intervention with scam victims allow them to remain independent and living in their own homes for longer than victims who receive later or no intervention?
- Defining a victim more carefully than a person who responded to a mailshot.
- Cost to victims: knock on effect of being scammed and how to help the most chronic victims.
- How do mass marketing databases work? If a more sophisticated profile for a victim is developed, could mailing lists be reverse engineered to exclude that demographic and any actual victims reported by Royal Mail to create ethical mailing lists that charities and public bodies could use?<sup>94</sup>
- Reviewing the understanding of the Data Protection Act to make it potentially easier to remove people from databases (mail, telesales and charity approach).
- Developing good practice guides and advice for professionals working in this field and for vulnerable citizens and their families/carers.

The Team worked with Bournemouth University on the Parliamentary event that was held on March 9<sup>th</sup> 2016. This was hugely successful and has stimulated a lot of debate around scams and what more can be done to protect vulnerable consumers. The Team is also working with Bangor, Chester and Portsmouth University on their research around scams. The Team is hosting a round table in May to bring all of this work together and ensure there is no overlap.

### **11.4 The Care Act**

Current data held by the Team has implications for the NTS Scams Team and Trading Standards because these are people that the Team believe are adults that are subject to, or at risk of, abuse or neglect. Local Authorities have a legal duty to follow up any concerns about either actual or suspected adult abuse or there is a risk of a Safeguarding Adults Review under the Care Act, 2014. In illustrating the types of abuse the Act explicitly mentions financial abuse, as this is not commonly understood to be in the scope of abuse. Victims of scam are victims of financial abuse.

### **11.5 Publicity**

---

<sup>92</sup> BIS KPI 2aii

<sup>93</sup> BIS KPI 3c

<sup>94</sup> BIS KPI 2aiii

The SCAM alert<sup>95</sup> was launched in Summer 2015. This is emailed every two weeks to subscribers to advise of the newest scams. It now contains online news reports regarding ALL types of scams in the UK to better reflect the interests of all NTS work.

The Team supported a campaign on the 29<sup>th</sup> February which was National Safeguarding Day<sup>96</sup>. A 'Take A Stand Against Scams' flyer was produced and circulated to all local authorities.

The Team's manager co-wrote an article for Management in Practice, a magazine aimed at the medical profession. The Team was featured in 20 press releases and gained 201 Twitter followers totalling, 570.

The Team held their annual conference in Cardiff in March. It was a two day event with 100 delegates. Delegates ranged from Trading Standards departments across the country, several Police forces, Age Cymru and Universities. 78% of the participants said the event was extremely useful and 92% said they were very or extremely likely to attend another NTS Scams Team conference in the future

The Team continues to be invited to speak at several events and conferences. This has increased with the new Doorstep Crime function, where the Team have been visiting people all over the country to increase partnership relationships and increase awareness of mail scams and doorstep crime.

## **11.6 Partners**

The Team continues to actively engage with national partner agencies including the Police, Royal Mail, several other mail service providers, National Fraud Intelligence Bureau, Financial Fraud Authority, Citizens Advice, Information Commissioner, the Home Office, Think Jessica, Age UK, the Pensions Regulator, the Office of the Public Guardian and the British Bankers Association. More recently we have been working with MoneyGram, Which and UK Border Force.

Since the Team began working with the Royal Mail<sup>97</sup>, 42 training sessions have taken place in England and Wales. During these sessions 2353 postal workers have been trained and a potential 718 addresses receiving scam mail have been identified. Due to a restructure within Royal Mail, this work has been handed over to the Scams Team to run. Monthly tasking meetings with Royal Mail continue. This is proving to be a successful way of focusing resources, the aim being to cancel several key contracts with known scam companies. The Team has worked closely with Royal Mail on a hardship fund for mail redirection that has seen eight successful applications and Royal Mail redirections.

The Team has also been working with the International Mass Marketing Fraud Working Group<sup>98</sup> to develop better data sharing and joint investigations. The Team has been asked to lead on mass mailing scams for this group and are drawing together task forces to tackle key international targets.

Partnership working continues with the Dutch Fraud authorities<sup>99</sup> in relation to the closing of mail boxes and enquiries into specific companies.

During the year in the UK, the Team<sup>100</sup>:

---

<sup>95</sup> BIS KPI 1ciii

<sup>96</sup> BIS KPI 1ciii

<sup>97</sup> BIS KPI 1civ

<sup>98</sup> BIS KPI 1civ

<sup>99</sup> BIS KPI 1civ

<sup>100</sup> BIS KPI 1civ

- has worked with MoneyGram to establish confirmed scam victims who will send victim information to the Team;
- continues to work with all of the big financial institutions to devise a victim strategy as to how details of the victims identified can be shared and supported;
- is supporting Which? in their scam campaigns and exploring joint enforcement opportunities
- has worked with CIFAS to match data and obtain a better picture of scam victims and profiling.
- has been exploring legislative changes that could stop the mail from entering the UK postal system.

In addition, the Team has secured £20,000 from a financial institution<sup>101</sup> to launch a campaign called Friends Against Scams, which will look for community engagement and scams awareness at a local, regional and national level.

Friends Against Scams<sup>102</sup> has been designed to highlight the issue of scams on a national, regional and local level. It aims to ensure that the prevention and protection against scams is a community issue, one that everyone is aware of and making a collective stand against scams. As part of the Friends Against Scams initiative the Team is working with CTSI and other partners to engage MPs and sign them up as *Scambassadors* so they will help to fight the fight for scam victims but also the Trading Standards services tirelessly supporting them.

The Against Scams Partnerships initiative<sup>103</sup> is currently being piloted in the Isle of Wight. The aims to demonstrate that community partnerships are vital in the development of scam free communities. The Team envisages that these types of partnerships can be replicated across the United Kingdom and is working towards England and Wales becoming “scam free” countries.

### **11.7 Best Practice, Information and Training**

This year the Team:

- has been involved in the testing stage of the new Flare system, which will provide more efficient data handling;
- has worked with the Wales Older People's Commission<sup>104</sup> on the Wales against Scams Partnership;
- has signed 400 people up to the Scams Team Knowledge Hub;
- continues to be involved on the steering group for a Publicly Available Specification that is being designed to help organizations improve their ability to protect a potential or existing customer from financial harm caused by a malicious third party.

### **11.8 Call blocker Pilot<sup>105</sup>**

During the pilot 34,804 calls have been blocked which equates to 99% of scam calls. The estimated total savings after installing the unit is £68,330 which is an average of £1,051 per person. The biggest saving to a consumer was £10,000.

- 41% of all calls received on project were nuisance/scam calls
- 99% of these nuisance/ scam calls were blocked by the units

---

<sup>101</sup> BIS KPI 1civ

<sup>102</sup> BIS KPI 1cii

<sup>103</sup> BIS KPI 1cii

<sup>104</sup> BIS KPI 1civ

<sup>105</sup> BIS KPI 3c

- Victims were evenly split between male and female
- 57% of victims lived alone
- Once the unit is installed 56% of people required no further help
- 93% of victims felt safer with the unit installed

In the 2015 budget, the Chancellor announced that £3.5 million would be allocated to deal with the issue of nuisance calls, a further £500,000 grant has been confirmed from the Department of Culture Media & Sport to fund callblockers and tackle the issue of nuisance calls during 2016/17 and 2017/18.

### **11.9 Mail Marshals**

The Team are working with “mail marshals” (volunteer victims who work with the Team) who identify and record the scam mail they receive. This is used for investigations but also as a way to educate and prevent further victimisation. The Team now has 86 mail marshals. One Mail Marshal said “*The best thing about the scheme is knowing that something is being done about it. And learning about which organisations are involved.* ”

### **11.10 Interventions<sup>106</sup>**

In the Netherlands 141 PO Boxes have been identified as receiving scam mail response. The Team is currently working up an action plan on how to tackle this. Enquiries relating to foreign companies in Canada, France and Belgium continue.

The Team is meeting with all the freight carriers<sup>107</sup> who want to stop carrying scam mail. It is estimated that 80% of mail coming in from abroad via freight into airports is scam mail. This year the team worked with one carrier who has cancelled a contract which had allowed 60 tonnes of scam mail into the UK.

The Team has been involved in the following interventions:

- One multinational investigation has been launched into what may be one of the main players in International mass marketing fraud;
- Border Force<sup>108</sup> are working with the Team and conduct sweeps in relation to scam mail as part of “daily business”
- 20 National Team investigations continue;
- Three Mail contracts have been looked at and information provided to the Mail carrier.
- Local authorities have supplied the Team with evidence relating to scam phone numbers, this evidence has been passed onto Action Fraud<sup>109</sup> who have shut down three phone numbers.
- The Financial Conduct Authority<sup>110</sup> have offered an interim licence for providing credit a company following evidence provided to them by the Team.
- The Team worked with two Banks<sup>111</sup> and identified criminal companies using accounts. One account had £2million passing through it a year.
- Finally the Team liaised with the ASA<sup>112</sup> in respect of a UK company as to whether their mailings breached the Code of Advertising Practice.

---

<sup>106</sup> BIS KPI 3c

<sup>107</sup> BIS KPI 1civ

<sup>108</sup> BIS KPI 1civ

<sup>109</sup> BIS KPI 1civ

<sup>110</sup> BIS KPI 1ci

<sup>111</sup> BIS KPI 1ci



## National Trading Standards Scams Team Management Data

General Outcomes		Apr – Jun 2015	Jul - Sep 2015	Oct – Dec 2015	Jan – Mar 2016	Totals for 2015/16
Disrupt UK based enablers of Mass Marketing Fraud	Number of successful disruption/enforcement actions that have been supported or are as a result of the National Trading Standards Scams Team and its work	4	18	7	14	43
	Number of pieces of advice given to local authorities	8	30	4	13	55
	Number of pieces of advice given to other organisations (specifically relating to particularly mailings and their legality)	2	9	11	8	30
Through Effective Partnership identify the silent victims of scams and facilitate an intervention for a consumer	Number of key partners signed up to the project/Increase awareness of mass marking scams in all organisations that deal with potentially vulnerable people	3	5	4	2	14
	Number of Local Authorities signed up to Service Level Agreements	5	6	9	2	22
	Number of confirmed scams victims identified by the Team from victim lists supplied	898	727	798	916	3339
	Estimated consumer detriment(based on local authority estimates that a consumer has lost to scam mail in the past)	£3,663,424. 10	£2,555,801	£1,651,770	£ 934,731. 39	£8,805,726. 49 (average £2637. 23 each (3339) confirmed victim)
	Number of pieces of consumer intelligence received (victim lists, single victims)	0	755	45,401	1307	47,463

General Outcomes		Apr – Jun 2015	Jul - Sep 2015	Oct – Dec 2015	Jan – Mar 2016	Totals for 2015/16
	Estimated consumer savings from consumer interventions (the savings the local authority estimate from the intervention, i.e. Mr Jones 72 would have sent £20k per year but after being told by TS he is being scammed he doesn't send any more, therefore TS have saved him 100k)	£275,806	£370,511	£205,615	£ 307341	£1,159,273 (average £347 each (3339) confirmed victim)
	Actual savings to consumers ( inc. cash, cheques, PO, card/ bankers draft payments)	£2,500,000	0	£3611	£7501	£2,511,112
	Other results of interventions <sup>113</sup> Cancelling Mail contracts/Investigative/ disruptive work	£4,479,571*	£5,810,000**	£1,925,244***	£10,807,493****	£23,022,308
	Total savings	£7,255,376	£6,180,511	£2,134,470	£11,122,335	£26,692,692
	Raised Awareness	1061	802	1025	1045	3,933
	Reduction in Mail	99	255	331	215	900
	Reduction in spending	133	241	187	217	778
	Referred to ASC	16	27	12	23	78
	Number of press releases and media opportunities.	15	46	52	21	134
Educate/provide tools for officers to help victims	Number of people signed up to the E learning	104	33	32	59	228

Table 10 - National Trading Standards Scams Team Management Data

\*The amount of post going through each account, based on 18% return rate (provided by scam companies) and average spend of £25 per consumer + £8,100 from destroying scam post. before it was sent to consumers.

\*\*All money we have had frozen in bank accounts as results of Suspicious Activity report and disruptive work and actual saving of £48,000 to a consumer. This is a direct consequence

\*\*\* Calculated on the amount of post entering the country before we worked to have it detained, basing this on an 18% return rate (provided by scam companies) working on an average spend of £25 per consumer.

\*\*\*\* Calculated on the amount of post entering the certain mail accounts before we have worked with partners to identify them, basing this on an 18% return rate (provided by scam companies) working on an average spend of £25 per consumer for a predicted three month period. This is an underestimate as we have also worked with freight carriers who have cancelled a 60 tonne per year contract but I haven't included this in the figures.

<sup>113</sup> BIS KPI 3c

## **Chapter 12 - National Trading Standards Estate Agents Team**

### **12.1 Overview**

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

The Team took over the functions of the OFT in relation to the Estate Agents Act 1979 from the 1<sup>st</sup> April 2014. As the lead enforcement authority for the Act, its responsibilities include the issuing of prohibition and warning orders, and the management and approval of the UK's consumer redress schemes. The team is also responsible for providing sector-specific advice in relation to the obligations and responsibility of businesses under the Act, as well as maintaining a public register of prohibition and warning orders issued. The Team works to ensure that those individuals or businesses 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 - including businesses, trade associations and other networks – is a key part of the Team's overall strategy to ensure that estate agency work in the UK is carried out in the best interests of clients and businesses, and that buyers and sellers are treated honestly and promptly in a fair marketplace.

Governance is provided via the NTS Central Governance Group.

### **12.2 Casework, complaints and enquiries<sup>114</sup>**

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 are received from members of the public, industry, TS 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.

### **12.3 Judicial Review**

The main challenge encountered this year was the need to change the agreed adjudication process following a judicial review decision in the High Court. The High Court ruled that oral hearings must be offered. This was not part of the original scope and has required a change in the way the process has to be managed and increasing resources to be found in order to fulfil the requirements for additional adjudicator time. NTS provided additional funds of £56,000 in the autumn, matched by an additional sum from BIS to ensure that the Team's work was not compromised by Powys having to pay the legal costs of the process. The grant for 16/17 has been set at £220,500 instead of £178,000 to recognise the needs of this changed process. The Court was very clear that there was no question about the probity or professionalism of the Team. It was a ruling on a technical point.

---

<sup>114</sup> BIS KPI 3g

## **12.4 Stakeholder engagement<sup>115</sup>**

This year the team has undertaken a wide range of stakeholder engagement activities. This included:

- presentations at the NAEA/ARLA regional conferences, the Jackson Stops & Staff 2016 national conference in Milton Keynes, the Belvoir 2016 national conference in Coventry, RICS Wales
- presentations to 3 CTSI Branch meetings and a Regional Co-ordinators meeting in Bristol;
- presentations and liaison with delegates at the Property Ombudsman annual conference
- presentations at a Land Registry Countering Fraud conference, in conjunction with the Metropolitan Police

## **12.5 Other Activities**

The Team has brought the three redress scheme providers together to start promoting greater liaison, consistency and sharing of best practice, and to prepare for a programme of audit/review and has engaged with a market research consultancy to begin the process of conducting surveys of users of the redress schemes<sup>116</sup>.

Research has continued into two major project areas to determine the scope of any consumer detriment<sup>117</sup> and make recommendations to NTS, BIS and CMA as to any proposed courses of action.

A new toolkit<sup>118</sup> was launched, for TS colleagues designed to give advice and guidance on estate agency legislation, including practical steps to establish and secure compliance amongst local businesses

The Team continues to examine the potential for accredited e-learning packages for the industry and launched its 'Guidance on Property Sales' in September, and then participated in a series of seminars around the UK in conjunction with the National Association of Estate Agents<sup>119</sup>.

There has been work with the Law Commission<sup>120</sup> on its proposed guidance on 'event fees' for leased retirement properties and worked with BIS to provide input into the guidance on Alternative Dispute Resolution Regulations.

---

<sup>115</sup> BIS KPI 3g

<sup>116</sup> BIS KPI 3g

<sup>117</sup> BIS KPI 3g

<sup>118</sup> BIS KPI 3g

<sup>119</sup> BIS KPI 1civ

<sup>120</sup> BIS KPI 1civ

## National Trading Standards Estate Agents Team Management Data

	Apr – Jun 2015	Jul – Sep 2015	Oct – Dec 2015	Jan – Mar 2016	TOTAL
Complaints received	38	60	32	41	171
Requests for advice received	23	34	20	26	103
Other enquiries received	2	12	10	1	25
Media enquiries received	1	2	1	1	5
Prohibition orders issued	2	1	5	4	12
Warning orders issued	0	0	0	3	3
Prohibition orders taken effect	0	1	4	1	6
Warning orders taken effect	0	0	0	0	0
Appeals against formal orders received	1	1	3	1	6

Table 11 – NTS Estate Agents Team Management Data

The team had 48 cases under investigation at the end of March which may progress for fitness action.

## **Chapter 13 - Advertising Standards Authority**

### **13.1 Background**

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

NTS established liaison arrangements with the ASA for complaint advice through London Borough of Camden to ensure there is a legal backstop in place continues, with Camden delivering 3 days per month ongoing liaison. Any additional funding that is required in pursuing enforcement cases would be provided via the National Tasking Group.

Liaison between ASA and Camden continues, with the two organisations meeting regularly. The chairman of the ASA Council, Lord Smith of Finsbury, wrote to Camden Council to express his gratitude for how the relationship was progressing and the work that was being done.

### **13.2 Casework**

NTG provided funding for three cases that where ASA could not bring traders into compliance. All related to health claims.

#### **Operation Lannister**

Interviews have been completed and the defendants have been released from custody pending a prosecution decision being taken. The business has closed.

#### **Operation Targaryen**

The trader has been advised that Camden Council will no longer be providing him with support but that he needs to seek a Primary Authority Partnership with a local authority for his name to be removed from the ASA wall. The ASA code requires the trader has to prove that their claims are genuine. Trading standards are satisfied that the trader does help some people but the ASA requires further action which is why it has been agreed to use the primary authority route and all matters should be referred to them. This trader is nearly compliant and ready to be handed over to a primary authority.

#### **Operation Stark**

This investigation is on track to complete the case within the next few months.

Milton Keynes Council has supported Camden with the ongoing investigations.

### **13.3 Other Work**

Over the last 12 months, Camden has looked into matters relating to health products, holidays, business opportunities, kitchens, medical services, software products and clothing. Some of these have resulted in changed trading practices and website take downs.

In the summer, the ASA began work to bring the whole homeopathic industry into compliance where they are making any health related claims. Letters were sent to about 3,000 homeopaths, through trade associations, advising them on the ASA Code and the law. The outcome of this is uncertain as it is possible that some trade associations may insist their members are compliant whereas others may resist the advice. Discussions with the Competition and Markets Authority, NTS, Medicines & Healthcare products Regulatory Agency and ASA have led to the decision to seek an early Counsel's Opinion. This will be helpful as it could assist with the shaping of a toolkit for compliance. This toolkit could be potentially rolled out nationally for local authorities to use. Discussions also considered initiating a number of test cases to see if this brings wholesale change.

The ASA has also decided to target the live blood analysis sector with approximately 40 non-compliant traders. Assistance has been provided with the drafting of a letter; again it is difficult to predict how many traders will still be non-compliant at the end of their sanctions.

A leaflet has been created<sup>121</sup> to be sent to non-compliant advertisers setting out the legal backstop arrangements and the consequences of continued breaches, it is hoped this will persuade many to follow the guidance issued by the ASA.

In May 2015, Camden attended an ASA meeting so they could see first-hand how cases are adjudicated on. Camden's representatives presented their work to the ASA Council members. An officer now sits one day per month in the ASA offices to help optimise liaison<sup>122</sup>. This has been positive for both sides as the officer is more informed about what is on the horizon and how the ASA work and for the ASA, this has meant a deeper understanding of how trading standards operate on a day to day basis, as well as how cases are progressed. This arrangement will continue into the new financial year.

A meeting was held with the ASA where some tricky areas of the Consumer Protection Regulations 2008 and how they applied to psychics was discussed. Consequently, the ASA is reconsidering its code.

---

<sup>121</sup> BIS KPI 1cii

<sup>122</sup> BIS KPI 1civ

## NATIONAL TRADING STANDARDS PROGRAMME OFFICE STRUCTURE 2015/16



## ANNEX 2 – Funding 2015-16

NTS had a total of £16.21 million in core funds for 2015-16, broken down as follows

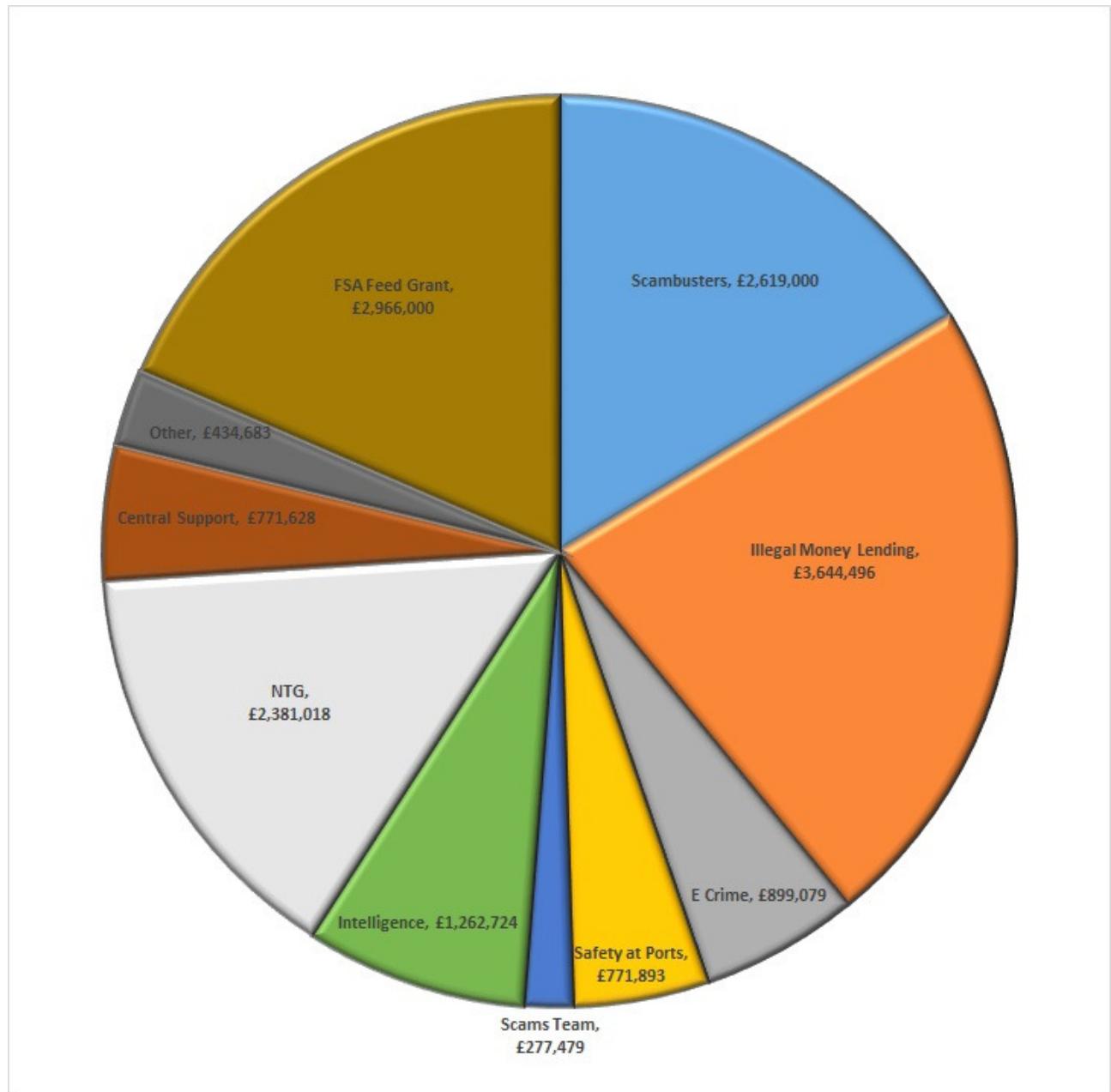


Figure 2 – Total NTS Funding 2015/16 as allocated 1/4/15

The initial grant from BIS was £13.24 million, broken down as follows

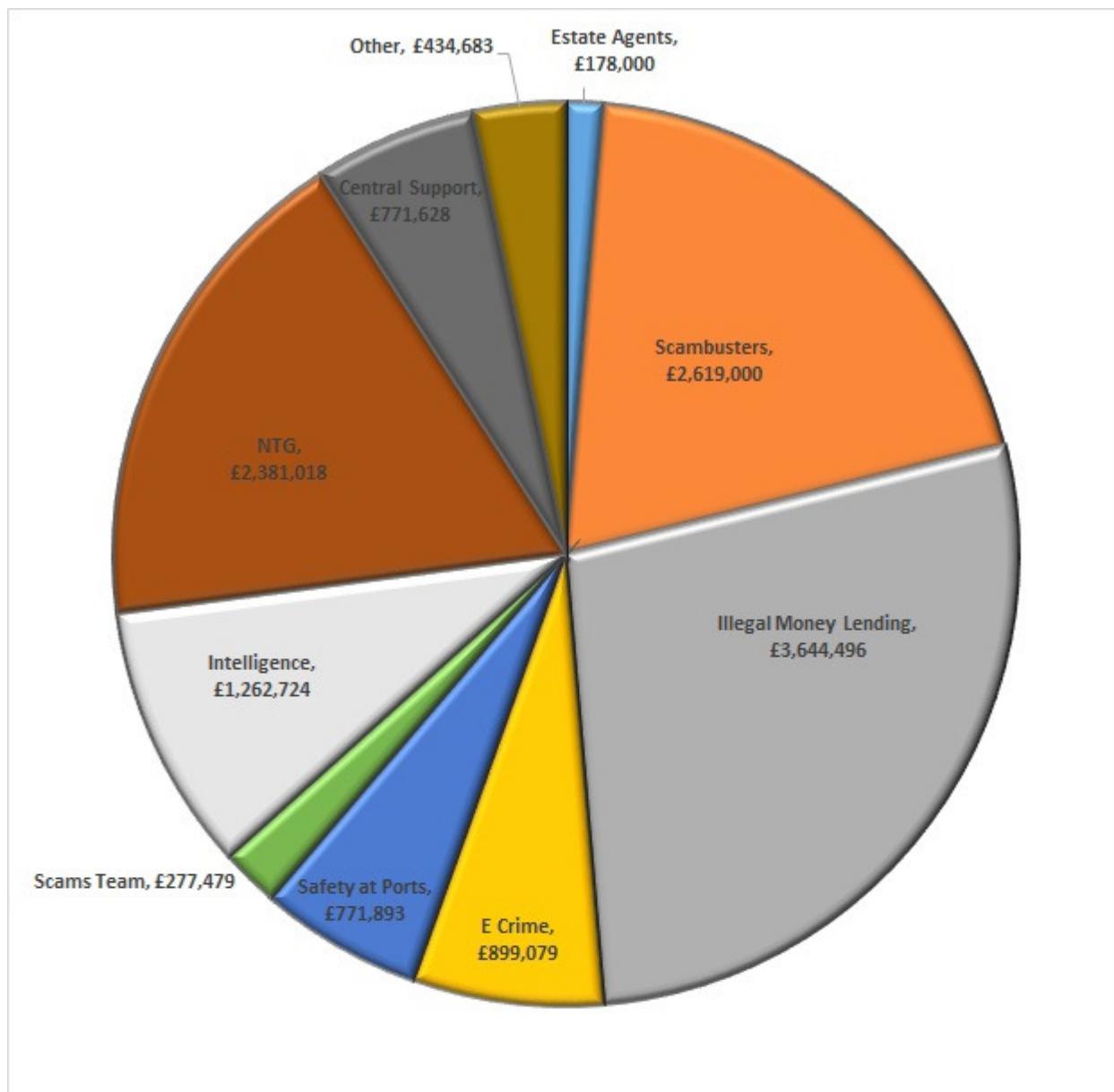


Figure 3 – BIS Grant funding 2015/16 as allocated 1/4/15

E crime received an additional one off grant of £225,000 announced separately in the budget and mid year  
BIS provided a further £56,000 for Estate Agents work. These are not included in the above core grant figures.

Other	£	Central Support	£	Intelligence	£
Sanctions database	40,100	Programme Office	468,223	NTS Intelligence Team	507,384
ASA Liaison	18,400	Chair Costs	50,000	Regional Intel Analysts	357,000
CTSI Conference	13,500	CTSI Finance	114,453	Other Intelligence	67,840
Contingency	67,683	Comms Grayling	114,600	Local Intelligence Dbases	99,600
Value for money	40,000	Comms CTSI	14,352	Memex/I2/IDB/PNC	188,900
Regional Coordination	255,000	Comms Other	10,000	Crimson Case	42,000
	<b>£434,683</b>		<b>£771,628</b>		<b>£1,262,724</b>

Table 13 - Additional Breakdown of Costs

The funding from FSA for feed work was £2,966,000, broken down as follows

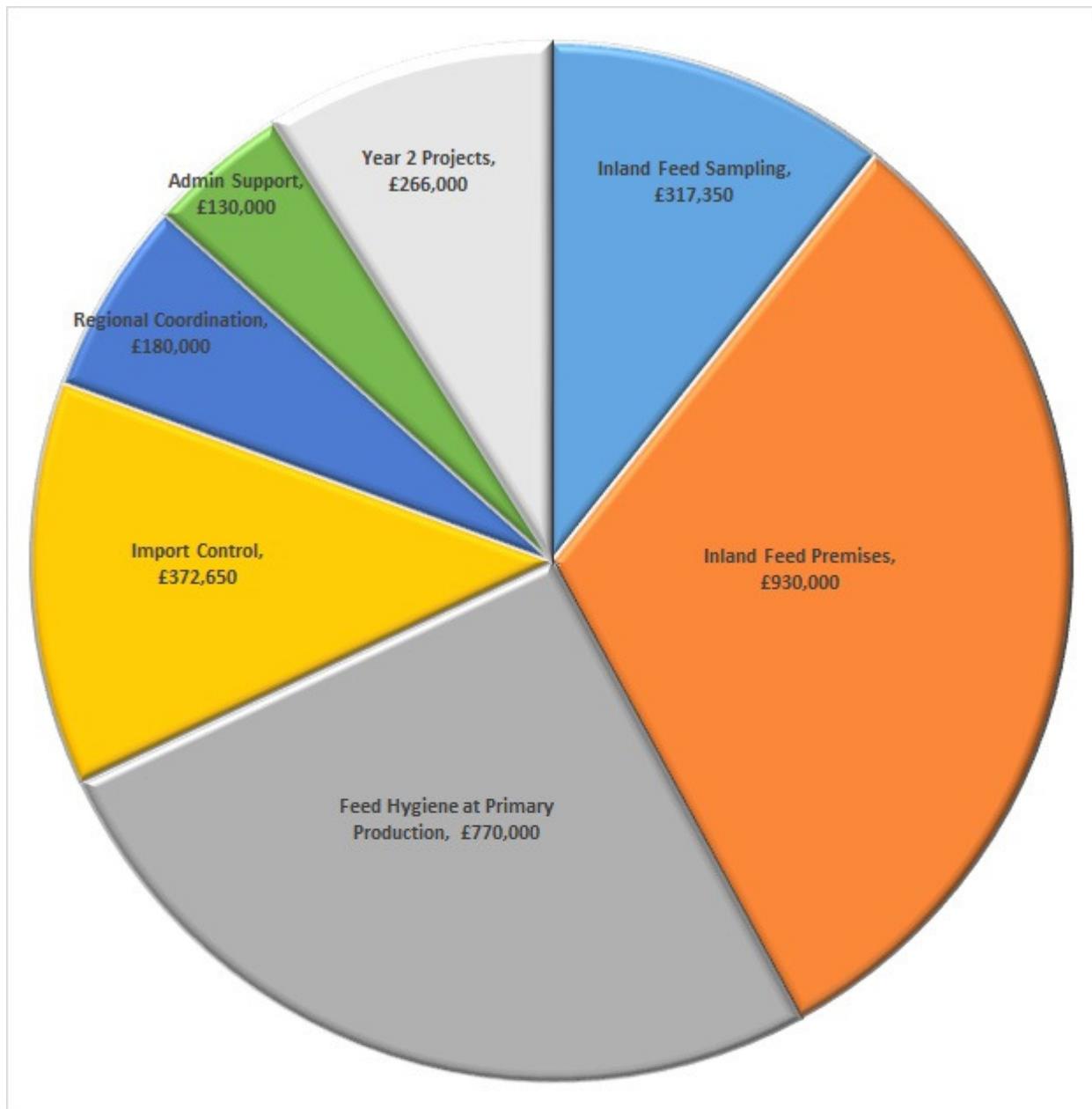


Figure 4 – Feed Funding 2015/16 as allocated 1/4/15

## ANNEX 3 – Impacts and Outcomes Measures for BIS related work.

<b><u>Strategic Objective 1 – Ensure effective governance arrangements for the work of NTS, which will also enable us to clearly demonstrate the importance and effectiveness of NTS to our partners, a new Government and the National Audit Office</u></b>			
Activity	Performance Measure	How	Performance (for quantitative data, this will be listed here, for narrative references there will be a short summary or reference to footnotes)
a. Developing strong, trusted relationships with key stakeholders.	<ul style="list-style-type: none"> <li>• Demonstrate that the Board has the trust of stakeholders.</li> <li>• Demonstrate that stakeholders believe that the Board has improved the consumer landscape.</li> <li>• Evidence that the Board is communicating effectively with its stakeholders.</li> </ul>	<p>Perceptions survey of key stakeholders to show:</p> <ul style="list-style-type: none"> <li>i. At least 72.5% of stakeholders trust in the Board</li> <li>ii. At least 65% of Stakeholders agree the NTSB has improved the national/cross regional enforcement landscape</li> <li>iii. At least 78% of Stakeholders feel that the Board is effectively communicating with them</li> </ul>	<p>NTS Perceptions Survey data, Dec 2015</p> <p>Heads of Service: 68% agreed/strongly agreed, 5.3% disagreed/strongly disagreed. All respondents: 50.5% agreed/strongly agreed, 13.2% disagreed/strongly disagreed.</p> <p>Heads of Service: 74.7% agreed/strongly agreed, 9.3% disagreed/strongly disagreed. All respondents: 60.7% agreed/strongly agreed, 10.9% disagreed/strongly disagreed.</p> <p>Heads of Service: 79.7% agreed/strongly agreed, 5.4% disagreed/strongly disagreed. All respondents: 57.4% agreed/strongly agreed, 16.4% disagreed/strongly disagreed.</p>
b. Supporting CPP in its work in tackling consumer detriment.	<ul style="list-style-type: none"> <li>• Demonstrate that the Board is making a contribution to the Partnership which adds value for all.</li> <li>• Demonstrate that the Board is actively involved in Working Groups and is taking the lead in tackling specific problems encountered by consumers.</li> <li>• Evidence that the Board is influencing the Consumer Protection Partnership to support NTSB delivery.</li> </ul>	<ul style="list-style-type: none"> <li>i) Feedback from CPP Chair.</li> <li>ii) Annual report to include evidence demonstrating how the Board is influencing the CPP to support NTSB delivery.</li> <li>iii) CPP Strategic/ Operational/ Working Group minutes to evidence the NTSB's input.</li> </ul>	<p>CPP Chair to provide information.</p> <p>See footnotes referenced 1b: pages 4, 21, 23, 26, 28</p> <p>BIS to reference Minutes</p>
c. Creating a comprehensive national picture of achievements of the NTSB and regional groups and communicating these effectively.	<ul style="list-style-type: none"> <li>• Demonstrate that the media plan is having impact and that the NTSB is using resources available (e.g. Ministers) to promote its work.</li> </ul>	Through annual and quarterly reporting evidence impact through narratives which:	

	<ul style="list-style-type: none"> <li>Demonstrate that the Board's enforcement data is being made available publicly through quarterly and annual reports.</li> <li>Demonstrate how the Board is working with others – joined up working - to lever support and increase the impact of enforcement activities.</li> </ul>	<ul style="list-style-type: none"> <li>i) Provide examples of high-impact positive case studies and the coverage they generated.</li> <li>ii) Show the impact of the communications strategy and examples of resources being used to promote their work.</li> <li>iii) Show that enforcement information is freely available.</li> <li>iv) Highlight joined-up working with other interested parties.</li> </ul>	<p>See footnotes referenced 1ci on pages: 5, 28, 30, 35, 36, 50, 58, 72.</p> <p>See footnotes referenced 1cii on pages: 5, 30, 35, 36, 71, 74</p> <p>Press releases on enforcement actions issued to all local authorities via NTS updates, via Grayling to the media and placed on NTS website. See footnotes referenced 1ciii on pages: 30, 58, 69, 70</p> <p>See footnotes referenced 1civ on pages: 5, 26, 35, 36, 45, 46, 48, 50, 58, 63, 65, 70, 71, 72, 76, 79</p>
--	--	--	---

<b><i>Strategic Objective 2 – Provide the framework for sharing intelligence more effectively and efficiently in order to identify and tackle emerging threats</i></b>			
<b>Activity</b>	<b>Performance Measure</b>	<b>How</b>	<b>Performance</b> (for quantitative data, this will be listed here, for narrative references there will be a short summary or reference to footnotes)
a. Capture, analyse, and use all the information and intelligence that is available to the NTS.	<ul style="list-style-type: none"> <li>Demonstrate that quality assurance measures are in place to ensure the information is defensible in Parliament and in a Court of Law.</li> <li>Demonstrate that information and intelligence is being made available across Trading Standards and that steps are being taken to identify and address information gaps and check whether the information is being used consistently and effectively.</li> </ul>	<p>In the annual report provide evidence that shows:</p> <ul style="list-style-type: none"> <li>i) Quality information and intelligence is being made available across Trading Standards.</li> <li>ii) Positive steps are being taken to identify and address information gaps.</li> <li>iii) Examples where information has been used consistently and effectively.</li> </ul>	<p>See footnotes referenced 2ai on pages: 18, 19, 20, 21, 22, 23, 45</p> <p>See footnotes referenced 2aii on pages: 4, 21, 46, 69.</p> <p>The IOM sets overall principles for the consistent handling of intelligence by national, regional and local teams. Furthermore each local authority will have its own set of policies and legal requirements in relation to data handling which it will need to comply with. In addition See footnotes referenced 2aiii on pages: 19, 21, 22, 23, 49, 50, 51, 69.</p>
b. Enhance the intelligence gathering systems.	<ul style="list-style-type: none"> <li>Demonstrate the impact the investment the Board is making to enhance and quality assure the intelligence gathering systems.</li> </ul>	<p>In the annual report provide evidence that shows:</p>	

	<ul style="list-style-type: none"> <li>Demonstrate the benefits of the enhanced intelligence gathering systems; what value this is adding; and whether the system mitigates against the enforcement gap.</li> <li>Demonstrate that the system is being regularly tested for secure and compliance with data.</li> </ul>	<ul style="list-style-type: none"> <li>i) The Impact of investment to enhance and quality assure the intelligence gathering system.</li> <li>ii) The added value of the enhanced intelligence gathering systems and whether the system mitigates against the enforcement gap.</li> </ul>	<p>Chapter 5 outlines information to show where investment has been made in the intelligence system. The IOM sets overall principles for the consistent handling of intelligence by national, regional and local teams. Furthermore each local authority will have its own set of policies and legal requirements in relation to data handling which it will need to comply with.</p> <p>Examples of the use of intelligence are given throughout the report but Chapter 5 gives an overview of the system and impact and the work carried out by the NTS intelligence Team and how the information is provided to the Teams and NTG to ensure effective prioritisation and mitigation of the enforcement gap. The same applies in relation to ports as outlined in Section 9.2</p>
--	---	--	---

<b><u>Strategic Objective 3 – Ensure effective delivery of national and cross boundary enforcement projects</u></b>			
<b>Activity</b>	<b>Performance measure</b>	<b>How</b>	<b>Performance</b> (for quantitative data, this will be listed here, for narrative references there will be a short summary or reference to footnotes)
a. Operational delivery of regional Scambuster Teams, to tackle consumer detriment – (Outputs).	<ul style="list-style-type: none"> <li>Number of operations commenced in the period.</li> <li>Number of consumers affected.</li> <li>Number of successful prosecutions.</li> <li>Value of detriment avoided.</li> </ul>	Through quarterly and annual reports (including case studies) demonstrate that consumer detriment is being tackled.	<ul style="list-style-type: none"> <li>Number of operations commenced in the period. 19</li> <li>Number of consumers affected. 12969</li> <li>Number of successful prosecutions. 22</li> <li>Value of detriment avoided. £9,438,230</li> </ul> <p>Case studies on tackling detriment, see footnotes referenced 3a: pages 59 and 65</p>
b. Operational delivery of E-Crime Unit to tackle consumer detriment – (Outputs).	<ul style="list-style-type: none"> <li>Number of operations commenced in the period.</li> <li>Number of operations where the team gave assistance to another local authority/ agency.</li> <li>Number of successful prosecutions.</li> </ul>	Through quarterly and annual reports (including case studies) demonstrate that consumer detriment is being tackled.	<ul style="list-style-type: none"> <li>Number of operations commenced in the period. 5</li> <li>Number of operations where the team gave assistance to another local authority/ agency. 2</li> <li>Number of successful prosecutions. 1</li> </ul> <p>Case studies on tackling detriment, see footnotes referenced 3b: page 31</p>
c. Provide support to local authorities to identify Mass Marketing Scams and work with victims; and work with local partners to disrupt scams activity.– (Outputs).	<ul style="list-style-type: none"> <li>Number of successful disruptions/ enforcement actions.</li> <li>Number of pieces of advice provided to local authorities/other organisations.</li> <li>Estimated savings to consumers from interventions.</li> <li>Actual savings to consumers.</li> </ul>	Through quarterly and annual reports (including case studies) demonstrate that consumer detriment is being tackled.	<ul style="list-style-type: none"> <li>Number of successful disruptions/ enforcement actions. 43</li> <li>Number of pieces of advice provided to local authorities/other organisations. 85</li> <li>Estimated savings to consumers from interventions. £1,159,732</li> <li>Actual savings to consumers. £2,511,112</li> </ul> <p>Case studies on tackling detriment, see footnotes referenced 3c pages 69, 71, 72, 74.</p>

d. Operational delivery of Illegal Money Lending teams to tackle consumer detriment (Outputs).	<ul style="list-style-type: none"> <li>• Number of operations commenced in the period.</li> <li>• Number of illegal lenders identified.</li> <li>• Value of detriment.</li> <li>• Number of victims affected.</li> <li>• Number of successful prosecutions.</li> <li>• Court compensation awarded to victims.</li> <li>• Evidence of increased awareness of dangers of loan sharks following IML educational events</li> </ul>	<p>Through quarterly and annual reports (including case studies) demonstrate that consumer detriment is being tackled.</p>	<ul style="list-style-type: none"> <li>• Number of operations commenced in the period. 401</li> <li>• Number of illegal lenders identified. 740</li> <li>• Value of detriment. £8,648,806</li> <li>• Number of victims affected. 1826</li> <li>• Number of successful prosecutions. 24</li> <li>• Court compensation awarded to victims. £66,000</li> </ul> <p>Evidence of increased awareness of dangers of loan sharks following IML educational events. See footnotes referenced 3di: page 35.</p> <p>Case studies on tackling detriment see footnotes referenced 3dii: page 36</p>
e. Provide resources at key Ports and Borders to prevent consumer detriment caused by the import of unsafe and non-compliant goods (Outputs).	<ul style="list-style-type: none"> <li>• Number of samples taken.</li> <li>• Number of unsafe and non-compliant samples identified.</li> <li>• value of potential harm prevented by ensuring unsafe and non-compliant goods not released into supply chain.</li> </ul>	<p>Through quarterly and annual reports (including case studies) demonstrate that consumer detriment is being avoided.</p>	<ul style="list-style-type: none"> <li>• Number of samples taken. 1158</li> <li>• Number of unsafe and non-compliant samples identified. 898</li> <li>• value of potential harm prevented by ensuring unsafe and non-compliant goods not released into supply chain. £45,523,724</li> </ul> <p>Case studies on tackling detriment see footnotes referenced 3e: pages 49, 51, 55.</p>
f. Managing the National Tasking Group to assess and resource appropriate cases.	<ul style="list-style-type: none"> <li>• Demonstrate how the Board is taking on large, complex and national investigations and assessing by costs and risks involved.</li> <li>• An annual assessment of impact to demonstrate that the resource invested providing good value for money.</li> <li>• Demonstrate the impact the NTG activity is levering local Trading Standards to take better tactical decisions.</li> </ul>	<p>Through quarterly and annual reports (including case studies) provide evidence that shows:</p> <ol style="list-style-type: none"> <li>i. That the Board is tackling big cases, evaluating the funds and risks.</li> <li>ii. The impact of NTG work is encouraging local Trading Standards to make improved decisions.</li> </ol>	<p>Case studies see footnotes referenced 3fi: Pages 24, 25, 26, 27</p> <p>See footnotes referenced 3fii: Page 27</p>
g. Provide enforcement of the Estate Agency Act.	<ul style="list-style-type: none"> <li>• Number of warning and prohibition orders issued.</li> <li>• Demonstrate that Powys is effective monitoring the estate agent redress schemes and addressing the issues identified in the OFT's Feb 2014 review of the Estate Agents Schemes.</li> </ul>	<p>Through quarterly and annual reports which demonstrate that the Lead Enforcement Authority is regulating the Estate Agents Act effectively.</p>	<ul style="list-style-type: none"> <li>• Number of warning and prohibition orders issued. 15</li> </ul> <p>See footnotes referenced 3g: Pages 75 and 76.</p>

<b>Strategic Objective 4 – Leading the coordination, collaboration and communication of local, regional and national consumer protection enforcement</b>			
<b>Activity</b>	<b>Performance Measure</b>	<b>How</b>	<b>Performance</b> (for quantitative data, this will be listed here, for narrative references there will be a short summary or reference to footnotes)
a. Support regional trading standards infrastructure.	<ul style="list-style-type: none"> <li>• Demonstrate that the Board is effectively co-ordinating Trading Standards' enforcement activity across Local Authority boundaries and effectively influencing the regional and local trading standards.</li> <li>• Demonstrate that local and regional trading standards are effectively working with the Board.</li> <li>• Demonstrate that the Board is using the Officials Oversight Group as an opportunity to demonstrate there is effective co-ordination, collaboration and clear responsibilities between national and local enforcement.</li> </ul>	<p>Through the annual report, and the results of the perceptions survey show evidence of:</p> <ul style="list-style-type: none"> <li>• the Board's performance in managing TS' enforcement work across local authority boundaries and levering Trading Standards locally and regionally.</li> <li>• Trading Standards Community and the Board working well together.</li> <li>• The Board making good use of the Official's Oversight Group to its advantage.</li> </ul>	<p>The IOM and regional and national tasking processes , set and supported by NTS provide the framework for agreeing, prioritising and tasking cross boundary activity. This relies on a mix of local and NTS resources.</p> <p>NTS still makes a contribution towards the cost of the regional infrastructure, both coordination and intelligence, and each local authority also contributes towards this so everyone is a key part of the system. This can be seen from the narrative across the whole report.</p> <p>Feedback from BIS officials in attendance at the group on whether the Board is using the Officials Oversight Group effectively.</p>
b. Establish improved coordination of the enforcement teams.	<ul style="list-style-type: none"> <li>• Demonstrate how the Board is improving the coordination of the enforcement teams and how they are providing value for money.</li> </ul>	<p>Through quarterly and annual reporting show evidence that the Board is enhancing the enforcement teams and is cost effective.</p>	<p>Case studies and narrative across the whole report outline the work being done by and between teams. In terms of value for money, an external review was completed on the SPOC and scams team. The scambuster performance processes have been enhanced.</p> <p>Overall NTS tackled over £93 million of consumer and business detriment. Figures vary year to year because the detriment in relation to a large case is calculated at the date of conviction. But for the last 2 years, when all our teams were fully functional, NTS tackled £345 million in detriment (14/15 £252 million; 15/16 93 million) for a core spend of £27.3 million (2014/15 £13.76 million, 2015/16 £13.52 million). So £12.63 impact for every £1 spent.</p>

Table 13 – BIS Performance Indicators for National Trading Standards