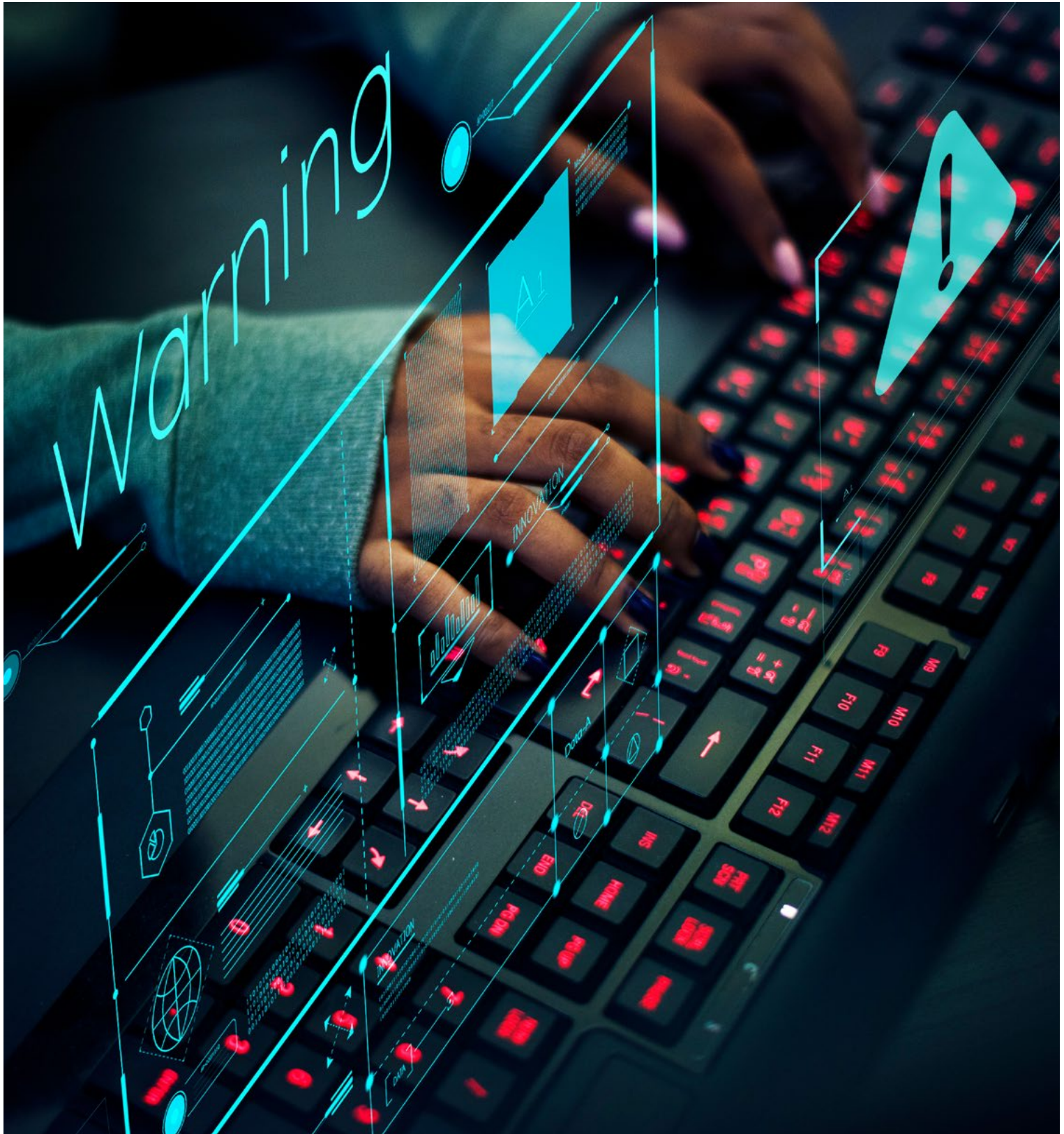


CONSUMER HARM REPORT 2021





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FOREWORD

Scams come in many challenging forms. From doorstep crime and mass marketing fraud to online crime, mis-selling and impersonation scams, criminals are drawing on a broad range of tactics to deceive people. As criminal groups become more organised and find ever more sophisticated ways to target individuals and businesses, the investigative work of the teams at National Trading Standards (NTS) is more important than ever. Our mission is to protect both the public and legitimate businesses. This Consumer Harm Report highlights the outstanding successes of NTS teams in 2020/21 and why our work is, and continues to be, so vital.

After nine fulfilling years, I will be standing down as Chair of NTS later this month and I would like to take this opportunity to extend my heartfelt thanks to everyone in the Trading Standards community for their unwavering efforts dealing with consumer harm, tackling the criminals responsible and supporting consumers, especially the most vulnerable, as well as protecting the interests of legitimate and responsible businesses.

In that time, I have seen first-hand the determination and resolve of Trading Standards teams across the country who – faced with significant financial constraints – have continued to protect their communities and neighbourhoods. The fact that we still achieve so much in spite of these challenges demonstrates their absolute dedication.

Scam tactics – a paradigm shift accelerated by Covid-19

This distinctive commitment among the Trading Standards community to protect consumers from criminals became immediately obvious to me when I became Chair of NTS in 2012.

The events of the last 18 months have further reinforced this. The Covid-19 pandemic and associated lockdowns have posed challenges for lots of sectors and industries – and Trading Standards teams have stepped up admirably. This has included delivering other local authority functions at the height of the pandemic as well as supporting businesses and consumers as they navigate through ever-changing circumstances.

The Covid pandemic has also accelerated change in the consumer protection landscape. As this report shows, some of the more traditional scams such as doorstep crime were curtailed by the imposed lockdown restrictions. Criminals adapted quickly, which has led to a surge in different tactics being deployed by scammers, who have sought to exploit social change and evolving technology. UK Finance has reported that so-called ‘impersonation scams’ have doubled as criminals pretend to be from banks, delivery firms or the government to dupe consumers and businesses.

As restrictions ease, our data suggest the age-old tactic of pressurising vulnerable people on the doorstep will return, operating alongside sophisticated tactics that were honed during lockdown. Scammers essentially have more opportunities to target consumers and more powerful weapons at their disposal. This represents a paradigm shift – and the last 18 months has been the catalyst. This is a critical time for organisations across the consumer protection landscape – and it's why it's so important to invest in Trading Standards and help stay one step ahead of the criminals.

Meaningful deterrence

Notwithstanding the problems associated with overcrowding in prisons, we must remember that tough sentences and significant fines are vital to help deter criminal behaviour. In one of our recent cases, I was disappointed by the relatively small fine – equivalent to a business expense – that was handed down. It's important that criminals know that the financial and other penalties imposed will reflect the level of consumer detriment they cause.

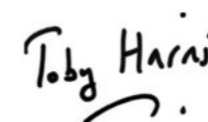
NTS model works

There are changes in the pipeline in Whitehall to update consumer rights legislation – and I welcome the focus on this important area. We have found that the current model for NTS has worked very well. We are set up to be able to respond quickly to requests from partners across government, so that we can tackle consumer detriment head on. Our very lean central team commissions workstreams via local authority departments. This approach ensures that the expertise stays with local authorities and means available resources from Government are allocated to the key priorities.

I hope this window into the work of NTS will provide a revealing and useful insight into the powerful investigations that go on behind the scenes. A more detailed account of our 2020/21 activity is available in our Annual Report: www.nationaltradingstandards.uk/documents

If there is any indication or evidence that makes you think you or someone you know could be a victim of a crime, please call the Citizens Advice consumer helpline on 0808 223 1133.

My thanks again to Trading Standards Officers, Local Authorities and the wider Trading Standards community for all the support and dedication they have shown during my time as Chair.



Lord Toby Harris

Chair of National Trading Standards

OUR ROLE

National Trading Standards (NTS) prioritises and allocates government grants to tackle prominent national and regional Trading Standards issues. These resources are allocated based on evidence and intelligence that help to identify priority areas of consumer and business detriment.

These priorities currently include mass marketing fraud, internet scams and a range of other enforcement issues that require reach and capacity beyond traditional local authority boundaries. We fund several teams and projects to focus on key issues, providing cross-boundary intelligence-led enforcement teams and investigations in England and Wales.

This work is separate and in addition to the majority of day-to-day Trading Standards enforcement carried out by local authorities.

There were four main objectives for 2020/21:

- Provide a framework to share intelligence and tackle emerging threats across England and Wales
- Co-ordinate and deliver enforcement to counter serious consumer protection crime and mass-marketing scams
- Ensure the safety of the food chain and protect the UK export market by ensuring animal feed is safe
- Monitor the activities of estate and letting agents, and deliver a programme of national enforcement, advice and support for local authorities in relation to this.

**NATIONAL
TRADING
STANDARDS**

Protecting Consumers
Safeguarding Businesses

TACKLING CRIMINAL ACTIVITY

Tackling criminal activity is at the heart of National Trading Standards' work. We fund specialist teams to focus on priority areas of criminal activity, ranging from aggressive doorstep selling and online fraud to regulating estate agents and disrupting mass marketing mail scams.

This includes:

- Ensuring serious cases are prosecuted
- Disrupting criminal activity
- Supporting local authorities' Trading Standards investigations
- Working with consumer protection partners to support their own investigations
- Gathering and sharing intelligence with local Trading Standards teams and partners.

The landscape, of course, has been very different in 2020/21 because of Covid-19, and this has affected our work. Multiple court hearings have been postponed, so we have tried to find new ways of tackling criminal activity. Criminals have adapted their activities: perpetrators of fraud, scams and unfair trading exploit new opportunities and worldwide developments. Consumers' habits have also changed, with reliance on online shopping and home deliveries increasing all the time. Our teams have adapted their own techniques to meet these challenges, and we continue to explore different ways to disrupt criminal activity and safeguard consumers.

In the year 2020/21



NTS secured prison sentences totalling 57 years and 10 months and convicted 30 people of offences.

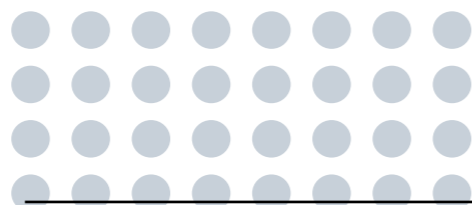
In the seven years between April 2014 and March 2021, National Trading Standards teams have saved consumers and businesses more than £1 billion. This is for a spend of £91.46 million – an impact of £11.54 for every £1 spent.



Perpetrators of fraud, scams and unfair trading all adapt and respond to new opportunities and worldwide developments

PROTECTING CONSUMERS

There are many unsettling situations in which people are misled, defrauded and bullied by criminals – and this can be particularly troubling for targeted, vulnerable people with long-term and debilitating health conditions, or older people living alone. Protecting consumers from financial exploitation underpins our work, and we directly intervene to support victims and prevent criminal activity, in turn raising awareness of consumer issues.



In 2020/21

National Trading Standards Teams dealt with £51,494,458 in consumer and business detriment.

SAFEGUARDING LEGITIMATE BUSINESSES

Responsible, law-abiding businesses are directly affected by unscrupulous and illegal traders who often attract customers by offering poor quality goods at cheaper prices. Counterfeit goods and dangerous products are sold, including popular electrical goods such as fake air pods, headphones and chargers, and fake clothing and fashion accessories. As well as undercutting responsible businesses and depriving them of business, these illicit trading practices and other scams also help create an atmosphere of mistrust.

National Trading Standards helps safeguard legitimate businesses by identifying and prioritising illegal trading practices and then investigating them, often leading to fines and imprisonment. Intelligence is gathered that can be used by regional teams to identify similar issues of concern.

Also, some businesses, especially small businesses, can become the victims of fraud themselves. Examples include getting small businesses to pay fees to access energy tariffs that they are not entitled to.



National Trading Standards helps safeguard legitimate businesses by identifying illegal trading practices and then investigating them

SUPPORTING SUPPLY CHAIN INTEGRITY

Online shopping, while very convenient for many consumers, can also present several risks. Without meeting the vendor or seeing the goods up close, it leaves shoppers vulnerable to businesses selling faulty or unsafe products. In 2020/21, the Covid pandemic significantly increased digital selling platforms, as it was not possible to visit many shops in person over much of lockdown. This type of eCrime remains a main area of concern for Trading Standards and NTS, and teams are tackling this through establishing the source of how consumers are initially misled, getting misleading websites removed and working with law enforcement partners to resolve problems with overseas companies.

NTS also supports supply chain integrity through animal hygiene enforcement – and examining feed safety management documents – so that UK farmers can export their meat safely, and to maintain the health of both animals and consumers.



Online shopping, while very convenient for many consumers, can also present several risks.



HOW WE OPERATE

NTS allocates funds to teams of Trading Standards professionals that specialise in different areas of consumer and business detriment. The teams cover:



NATIONAL TRADING STANDARDS
Protecting Consumers
Safeguarding Businesses

REGIONAL INVESTIGATIONS AND SUPPORTING LOCAL TRADING STANDARDS

Fraud is a nationwide concern, with criminals taking advantage of individuals and communities by deploying a range of tactics to mislead and mis-sell counterfeit or poor-quality goods and bogus or over-priced services. It's an area that is constantly evolving, as criminals seek to exploit topical fears and worries – such as Covid-19 or changes associated with Brexit – and exploit new opportunities made possible via technological advancements.

Trading Standards enforcement action is led by local authorities, but in specific cases regional investigations are supported – or led – by one of our eight NTS Regional Investigations Teams, who provide expertise

and additional resource to tackle high priority regional issues and serious or complex cases that require coordination across local authority boundaries.



Criminals seek to exploit topical fears and worries – such as Covid-19 or changes associated with Brexit

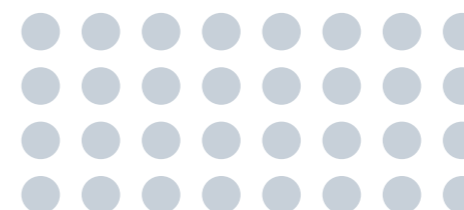
In 2020/21 the NTS Regional Investigations Teams worked on 103 live cases and this work led to:



Prison sentences totalling **57 years and 10 months** were handed down



30 people were convicted of offences



THE TEAMS IN ACTION



OPERATION MOHAWK – NEEDLESS ROOFING REPAIRS

NTS funded the London borough of Croydon to lead this investigation into large-scale doorstep crime that involved the pressurised selling of expensive roof repairs – which were all charged at a hugely inflated rate. Repairs were either unnecessary, badly done or not done at all. The criminal gain from this activity was estimated at more than £400,000.

At a five-week trial in summer 2020, the 10 defendants were charged with conspiracy to conceal, disguise, convert or transfer criminal property, and receiving or acquiring the proceeds of crime. After a successful prosecution, four defendants received custodial sentences totalling 14 years and three months, while six others received suspended sentences, community penalties and other non-custodial penalties, totalling 740 hours of unpaid work. Several of the defendants were ordered to pay sums in confiscation and compensation – including one for £30,200.

OPERATION BEORMA – COUNTERFEIT CLOTHING

As part of Operation Beorma, raids were carried out on a Hockley trader's factory and home address in August 2019. Fake designer clothing items with a street value of approximately £500,000 were seized as well as approximately 40,000 counterfeit branded clothing labels.

In December 2020, in what proved to be the largest seizure of its kind in a decade, a multi-agency exercise led by the Central England Trading Standards Authorities Regional Investigation Team identified and visited a large factory in Leicester that was known to be producing counterfeit clothing. Three separate units were discovered and £5 million worth of counterfeit goods were seized, including half a million labels waiting to be attached to items of clothing.

In a different exercise a week later, counterfeit goods including clothing, perfumes and accessories were confiscated from a supplier on his way to a market in Warwickshire. The market value of the 2,000 items was estimated at around £30,000. A significant amount of intelligence was gathered from the year's activities, which may be of future use by local Trading Standards services around the UK.

In August 2021 at Birmingham Crown Court, the Hockley clothing manufacturer was sentenced to four years imprisonment after pleading guilty to 26 offences for manufacturing and selling fake designer clothes.

SLIDING THE BOLT ON DOORSTEP CRIME

Vulnerable and elderly individuals are often the targets of doorstep criminals, although everyone is potentially at risk. Tactics include aggressive sales pressure for unwanted or over-priced goods, convincing householders they need unnecessary household repairs or services (such as roofing, gardening, double-glazing) and selling unwanted, poor quality fish. Energy fraud cases often have an element of doorstep crime about them.

Over the past year, the NTS Regional Investigations Teams and Trading Standards Services have supported doorstep crime investigations around the country, leading to prison sentences and compensation for victims. One Proceeds of Crime Act hearing in Leicestershire resulted in £42,797 of compensation being awarded to victims.

The National Tasking Group provided funding for three regional projects, all of which were directed at various aspects of doorstep crime:

- Developing intelligence about sellers of household goods, sold at inflated prices on the doorstep, to help support an investigation
- Installing **120 video doorbells** for some of the most vulnerable doorstep crime victims across London and the South East
- Engaging with **198 printing businesses** across Yorkshire and Humberside in order to reduce the use of anonymous and untraceable leaflets and flyers distributed by unscrupulous businesses.

OPERATION ULEX

A mobile fish-seller in Chester-le-Street, Teesside, who defrauded customers out of more than £100,000 was sentenced to five years in prison. The investigation by the NTS North East Regional Investigations Team discovered that over a three-year period, John Mills, aged 50, had used intimidating and dishonest practices to persuade vulnerable and older customers to buy large quantities of low-grade fish – often forcing his way into their homes without permission. The fish was often unfit for human consumption and was unwanted by the buyer. His sentence was reduced by 10 months after an early guilty plea. This is one example of seven investigations into fish sellers investigations in North East England.



Tactics include aggressive sales pressure for unwanted or over-priced goods

OPERATION COMFORT

As the result of a previous investigation into energy-related doorstep fraud, which netted the criminals just over £450,000, a confiscation order was made at a POCA (Proceeds of Crime Act) hearing. A total of £137,000 was restrained and from this £40,500 is being paid out in compensation to victims.

OTHER WORK

National Trading Standards allocates funding for projects that tackle specific priorities. In 2020-21, this included projects focused on:

- Fraud around used car sales
- Scams related to the sale of energy-related products and services
- Underage knife sales.

TAKING THE WHEELS OFF USED-CAR FRAUD

The all-too-common practice of used-car fraud is a perennial issue – and car-clocking, fake books/stamps and other used car fraud continues to be the most complained about issue in the UK. Our NTS Used Cars Group is providing intelligence and support to local Trading Standards teams – and is also funding investigations on high risk and the most complained about traders.

During 2020/21

NTS allocated funding to support six local authority investigations, tackling illegal practices in the used-car market, from clocking and incorrect MOT dates to not declaring manufacturer safety recalls.



Most complained about traders

During 2019/2020, Trading Standards South West led an investigation to identify unsafe and unroadworthy vehicles being sold by the region's most complained-about used-car traders – with issues including tyres with illegal levels of grip, faulty parts and suspected fake mileage issues.

Fake books and stamps

The NTS Intelligence Team gathered information about online vendors selling fake service books and garage stamps that would enable used-car crime. The

intelligence produced was given to local authorities so they could take action and, as a result, many regional Trading Standards services were able to initiate investigations.

Traders on social media

A project led by the North East Trading Standards Association (NETSA) set out to establish if traders posing as private sellers on Facebook and other social media was a problem. Operation Quattro concluded that vehicle sales on Facebook were widespread and that experienced traders accounted for around half of the 2,550 posts reviewed by the team – and often used multiple profiles in order to evade detection. It was estimated that the cost to the public associated with the sale of these vehicles amounted to £1,323,469. Half the cars sold were priced below £1,000, and therefore were targeted at those who are financially vulnerable. The team was able to compile intelligence packs on traders which were passed on to relevant local authorities for further investigation.

Trader compliance and risk assessment

Two projects which started in 2020/21 will continue into 2021/2022 due to delays associated with Covid-19. Yorkshire & Humberside's Operation Krypton aims to develop a risk assessment and perform audits on high-risk vendors; London's Operation Regal aims to raise compliance for around 100 traders across 23 boroughs, involving joint compliance audits with the DVSA.



01

ENERGY-RELATED FRAUD

This is an area of illegal activity that usually involves a large element of doorstep crime and falls into three broad categories:

1. The poor installation and maintenance of energy products or systems
2. The mis-selling of supplies and products
3. The large-scale defrauding of government 'green' grants for domestic households. Generally, patterns of crime correspond with the availability and awareness of government grants – insulation, for instance, or low-carbon heat grants and solar panels, although complaints about the latter are reducing.

During the 2020-21 period, six investigations into energy-related fraud were carried out and one of these cases has already been completed; the other five are either ongoing or awaiting trial.

NTS IN ACTION: OPERATION SWARM



This case concerned three scammers from Stourport-on-Severn who preyed on householders seeking to reduce domestic energy bills. Using two companies, they mis-sold roof and wall coatings, alleged to improve the thermal properties of homes, and claimed to retrofit batteries to existing solar panels that could provide householders with reserves of free electricity. Often no products were actually fitted. The Regional Investigation Team gathered evidence from 53 victims, 18 of whom were over 70. One woman in her 90s paid £1,200 for a wall coat that had taken less than 15 minutes to apply. As a result, three defendants pleaded guilty to 34 offences and were sentenced to a combined total of 9¼ years, and one company was fined £8,000.

TACKLING KNIFE CRIME

While the two year Home Office funded knife crime project ended at the end of 19/20, the final cases were completed this year.

Work carried out by Croydon Trading Standards between 2018 and 2020 led to 17 successful prosecutions and £179,755 in fines against businesses selling knives to children online.



NTS also collated national data on knife test purchasing that local authorities had carried out and this showed a fall in knife sales to under 18s.

CASE STUDY

In autumn 2020, Topline Wholesale Ltd from Manchester pleaded guilty to selling a hand axe to a 13-year-old child. Topline Wholesale Ltd was fined £8,500 and ordered to pay £10,500 in costs. The District Judge observed that he regarded the company's previous conviction (for the sale of unsafe and counterfeit goods) and the type of weapon sold as aggravating factors, but he gave credit for the company's guilty plea and recognised as mitigation the fact that it withdrew the item from sale.

REGULATING ESTATE AGENTS & PROTECTING CONSUMERS

In 2019, when the Tenant Fees Act came into force, a new team was set up to protect property renters in England from unscrupulous letting agents who charge illegal fees. This new team was merged with the existing NTS Estate Agency Team to become the NTS Estate & Letting Agency Team. This single enforcement function aims to protect both consumers and legitimate businesses in the property sector.

During 2020/21 the team handled a significant number of enquiries related to Covid-19 from local authorities, such as whether estate agents were able to continue to trade from their offices and whether repairs could be undertaken in rented properties. The team took on an enhanced backstop role during the year to lead on enforcement in order to support local Trading Standards services during the pandemic – responsibilities included making sure estate and letting agents are registered for anti-money laundering supervision and checking registrations to ensure client money and tenancy deposits are protected.

Over the year, several lettings-related projects were funded around England, including raising awareness of tenant rights among the student sector, building relationships with district council housing teams and improving lettings enforcement.

CASE STUDY Identifying property concerns in Northern Ireland

The NTS Estate & Letting Agency Team liaised with the main property portal in Northern Ireland over several allegations against estate agents. These ranged from – refusing to allow potential purchasers from viewing a property unless they could show evidence of mortgage approval – to failing to disclose referral fees and potentially withholding information from clients that they are free to choose any mortgage broker. This is ongoing, and the team will liaise with TS Northern Ireland to agree a way forward.



In 2020/21



58

warning orders, prohibition orders and penalty notices were issued to estate and letting agents.



637

enforcement officers signed up to the Team's e-learning course.

The team took on an enhanced backstop role during the year to lead on enforcement in order to support local Trading Standards services during the Covid-10 pandemic

DISRUPTING MASS MARKETING MAIL SCAMS

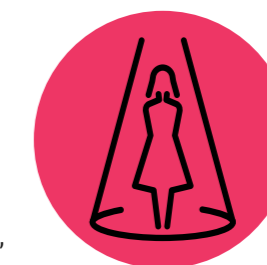
Disadvantaged or vulnerable consumers are often targeted by mass marketing scams, such as misleading prize draws and fake investment opportunities. This type of fraud causes approximately £5-10 billion of detriment to UK consumers every year. Investigation work by the NTS Scams Team in the UK and through collaboration with partners overseas, has resulted in sizeable amounts of scam mail being prevented from reaching UK households.

In one case a mailer based in Switzerland and France was responsible for sending around 19,000 mailings a month of clairvoyant-style scams, targeting UK consumers. As a result of the actions taken by the NTS Scams Team, with support from Swiss law enforcement, the entity has ceased – saving an estimated £460,845.

The NTS Scams Team has seen fraudulent mailings relating to Covid-19, promising a cure, prevention or financial benefits. In June, the Team received the first example of an Advance Fee Fraud '419' letter containing reference to 'a coronavirus pandemic'. The handful of letters, for overseas addresses, were promptly stopped.



In 2020/21



The NTS Scams Team identified 1,396 victims and saved consumers £42,596,196.

- A total of 129,991 pieces of scam mail were returned to sender or disrupted.
- 12 Scam Mail Alerts were issued to Postal Operators to raise awareness.



Friends Against Scams

Friends, families and communities are continuing to be recruited by the Friends Against Scams initiative, which empowers individuals, families, neighbourhoods and communities to take a stand against scams. This includes free online training on how to spot the signs of a scam and how to report them, increasing awareness and helping to disrupt criminal activity. In June 2020, the number of 'Friends' reached 500,000, just four years after the campaign started.

People in the early stages of dementia are particularly susceptible to various types of fraud and cyber crime, and World Alzheimer's Day on 21 September 2020 marked an important date for Friends Against Scams. Along with Lloyds Banking Group and Bournemouth University, Friends Against Scams launched a support guide for people experiencing cognitive decline outlining how to stop criminals reaching them, and how their finances can be protected by family and friends.

Businesses Against Scams

The restrictions imposed in response to the spread of Covid-19 has led directly to more and more people working from home for the first time. Increased stress, fewer opportunities to talk to colleagues and a different working environment are all things that criminals are using to their advantage to commit fraud. Employees are having to make decisions on their

own without verification from their colleagues, making businesses more susceptible to scams and fraud.

In the midst of the first lockdown in 2020, *Friends Against Scams* launched a new initiative to support businesses, organisations and their employees to help them identify and prevent scams. NatWest, Places for People and the Co-operative Bank were among the first companies to join Businesses Against Scams. More than 100 organisations from various industries spearheaded the initiative a cross-industry initiative led by National Trading Standards that provides free tools for businesses to upskill and train their workforce to help identify and prevent scams. More than 100 organisations came together to spearhead the new initiative and free training resources for businesses, employers and employees are available online at <https://www.friendsagainstscams.org.uk/BAS>.



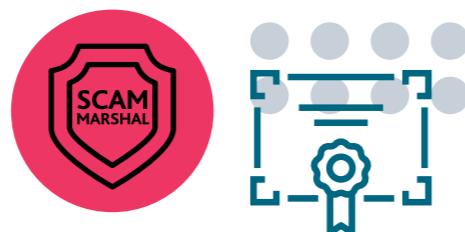
In June 2020, the number of "Friends Against Scams" reached
500,000

In 2020/21

The Scam Marshals scheme won the Outstanding Prevention Initiative award at the second Tackling Economic Crime Awards event.

A Scam Marshal is any UK resident who has been targeted by a scam and wants to fight back by sharing their experiences to help encourage others to report and recognise scams.

The FAS Scamnesty 2020 campaign asked people to send scam mail to the Team free of charge. This led to a huge increase in the amount of scam mail received for analysis, with 25% of all the mail received by the Team in the last seven months arriving in January 2021.



In June 2020, the number of 'Friends' reached 500,000 and by 2021, 768,495.

NTS IN ACTION – CALL BLOCKER PROJECT

In 2020/21 the NTS Scams Team received funding from DCMS to supply call blockers to consumers who receive scam or nuisance phone calls. On average, applicants for the call blockers were receiving 23 scam and nuisance calls per month. Over 99% of scam and nuisance calls were blocked, which led to 99% of applicants feeling happier as a result.

In February 2021, the Team shared its call blocker report and the academic wellbeing study with local authorities and partners, via a webinar. Delegates received training and key speakers also encouraged local authorities and partners to be vigilant and secure their own call blocker projects. The Team continues to use call blocking data to find scam telephone numbers and work to develop an industry wide alert and intelligence sharing process.

In 2020/21

The NTS Scams Team installed **1,084 call blockers.**

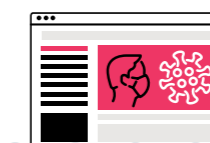


TAKING DOWN ONLINE FRAUD

Fraudulent websites and other online content are regularly removed by the NTS eCrime Team, who also look at taking further action when rogue traders continue to operate off-line. The Team currently has 12 operations: nine are awaiting trial and three are ongoing investigations. Covid-19 has had an impact resulting in court delays and the time it takes to complete cases.

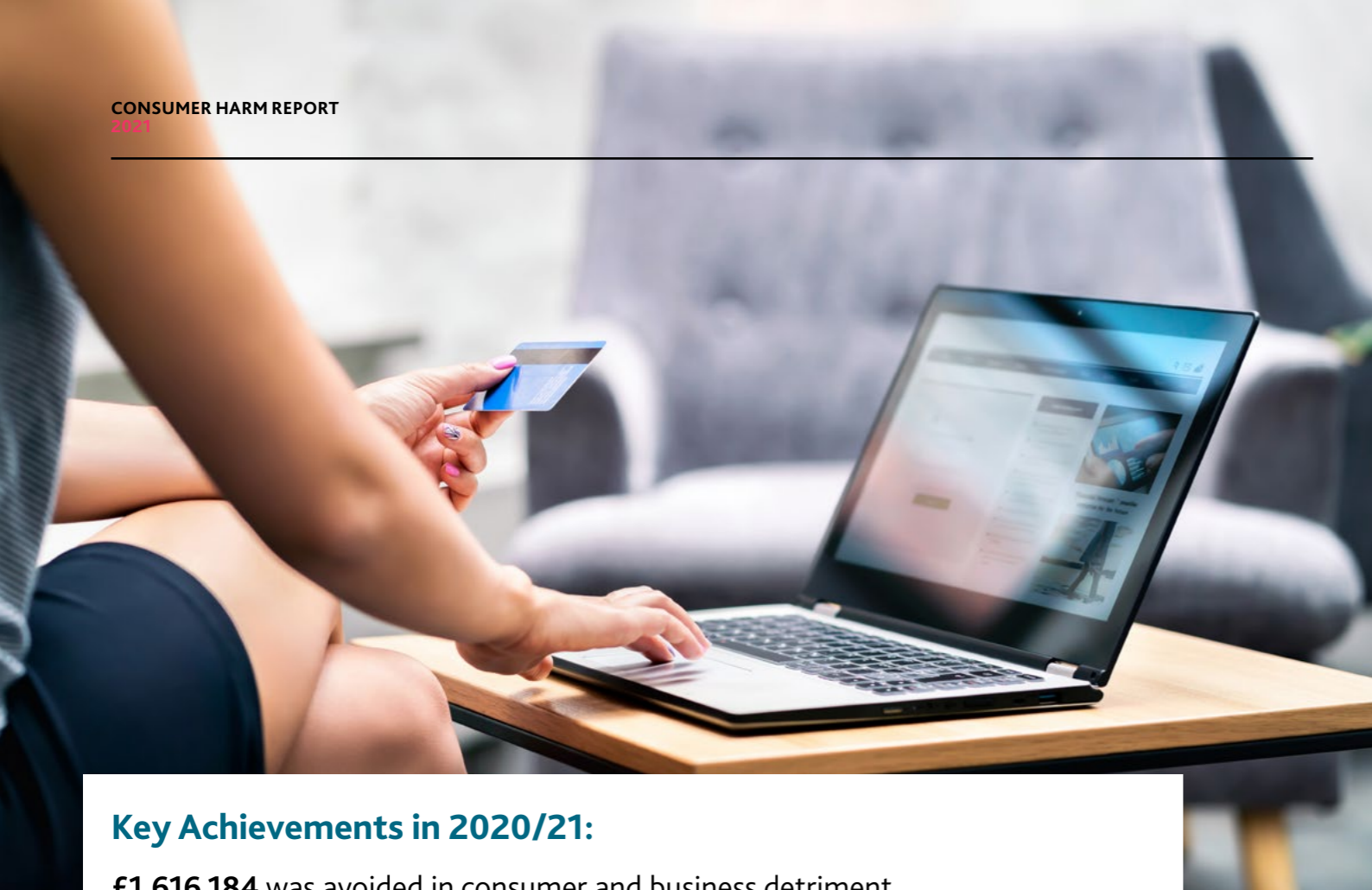
In 2020/21

Covid-19 related scams contributed substantially to the **855 takedowns and suspensions of websites and social media sites.**



The Digital Forensics Unit provided forensic support for 20 investigations, which examined **39 laptops, 76 mobile phones and 53 other devices** – such as iPads and memory sticks.

For the past three years the NTS eCrime team has been working on a pilot scheme with the College of Policing and Chartered Institute of Information Security, to create a professional institute for people working in online investigation. The successful pilot led to a launch of the Institute of Cyber Digital Investigation Professionals (ICDIP) on 1 April 2021.



Key Achievements in 2020/21:

£1,616,184 was avoided in consumer and business detriment.

The Team suspended **855** websites/social media sites.

The Team continues to develop its media presence: it has issued **6,505 tweets**, achieving **5.2 million views**. Over **5,503** links posted were clicked through to read the content.

OPERATION MILLIE: COPYCAT WEBSITES

Following a referral from the Advertising Standards Authority, the eCrime team investigated a copycat European Health Insurance Card (EHIC). It was used by thousands of consumers who paid an 'application fee' for a card that was normally free through the official NHS website. The investigation led to approximately £1,000,000 assets being restrained, and a trial is listed for summer 2021.

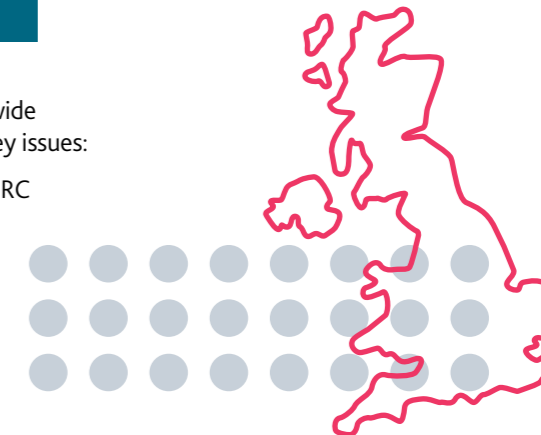
OPERATION BELLA: ONLINE PLUMBING

This investigation into online plumbing businesses uncovered the fact that consumers were initially attracted by Google Ads for 'local' businesses, but were then subjected to significant additional charges as the contracted plumber was not, in fact, local and the work was often unnecessary and/or of poor quality. Two company directors, Paul Plummer and Katie Marfleet, pleaded guilty to one charge of fraudulent trading contrary to Section 993 of the Companies Act 2006. They were sentenced to six months' imprisonment, suspended for 12 months, and ordered to do 80 hours of unpaid work. The judge also ordered Plummer to pay £5,976 in compensation to some of the victims, as well as costs.

NATIONWIDE MONITORING AND CONTROL

NTS also receives funding to carry out nationwide checks and deliver enforcement around two key issues:

- Illicit tobacco sales, which is funded by HMRC
- Safety of the Animal Feed Chain



ILLICIT TOBACCO

Preventing the sale of illegal tobacco protects people from serious health damage. Cutting off illegal tobacco supplies will also disrupt criminal operations and protect businesses that are operating honestly. Tax revenues are significantly affected by the illicit tobacco trade to the tune of around £2 billion lost to the Exchequer every year – money that could potentially be used to benefit public health.

Increasing Tobacco Prices

It has been proven that increasing tobacco prices not only encourages smokers to quit, but it also discourages young people from starting to smoke in the first place. As the illegal trade undermines this approach, NTS is working closely with HMRC to cut off illicit supplies reaching the streets. The more intelligence that is shared, the more this illegal trade will be disrupted. The activity has helped identify which brands are currently most widely available and the prices. The price of illegal tobacco is a strong indicator of the success of HMRC's work to disrupt criminal gangs bringing illicit tobacco into the country.

OPERATION CECE: NEW GRANT FOR 2021

In 2020/21 a new grant was provided to National Trading Standards by HMRC, to support local work by Trading Standards to seize and disrupt the supply of illicit tobacco. This work began at the start of 2021, and between January and March **over 2.3 million illicit cigarettes and more than 660kg of hand-rolling tobacco were seized**. In total this amounted to a revenue value of £1.2 million. Known as Operation CeCe, covering England and Wales, this work will run for 15 months. The outcomes of this operation are also being used to help inform the development of extended sanctions for illegal tobacco supply.

HELPING ENSURE A SAFE FOOD CHAIN

NTS coordinates the delivery of a programme to ensure the integrity of the animal feed chain. It's predominantly in place to protect food safety – including UK meat exports – through methods such as feed hygiene enforcement. Safe animal feed is the first step in the farm to plate chain, so it's crucial to both animal and human health that the food chain and the UK export market are protected. This is delivered via the nine regions in England who work with local authorities.

Despite Covid-19 restrictions and the necessary prioritisation of Covid-19 related work, there were **5,470 feed interventions in 2020/21**.

As part of the NTS feed delivery programme, the FSA commissions improvement projects every year, aiming to refine the delivery system. In the final quarter of 2020/21, this included a post EU exit transition project, requested by NTS, to ensure EU feed consignments are checked effectively.

Remote Audits

As a result of Covid-19, remote inspections were introduced in July 2020 and expanded in November. This has enabled official surveillance activities to be maintained at 82% of their normal planned activity.



It's crucial to both animal and human health that the food chain and the UK export market are protected

In 2020/21



GATHERING INTELLIGENCE AND REGIONAL SUPPORT

Criminals – including organised and well-funded criminal groups – are able to quickly adapt their methods and deploy increasingly sophisticated techniques to target their victims.

Reliable and timely intelligence has seldom been more important to help us identify and pre-empt emerging threats.

In 2020-21, NTS continued to provide funding to support an NTS Intelligence Network (with intel analysts/officers, access to a national intelligence system and software packages) that supports local Trading Standards Services, Regional Trading Standards Groups, NTS teams and other enforcement agencies. The NTS Intelligence Operating Model supports Trading Standards in their day to day work, regardless of their size or resources. It helps them deal with regional and national enforcement issues and has been used to inform local, regional and national priorities and support enforcement activities.

Intelligence has always underpinned NTS activity – helping it prioritise and allocate funds to support key work areas. The NTS Intelligence Operating Model strengthens this work and makes it easier for intelligence and data to be accessed by local Trading Standards teams to support their own investigations.

In 2020/21



43,405 Intelligence logs were recorded – a year-on-year increase of 18.9%

The NTS mapped 50 active organised crime groups.



Intelligence in action

Doorstep crime - rogue fish sellers

For decades there have been problems with mobile fish sellers operating across Great Britain out of the North East. Complaints about misleading statements (fish species not being what is claimed), overselling, extortionate prices, and more nuanced aggressive sales practices have been reported for years but with little targeted enforcement. Where enforcement was taken, it was generally over a few incidents, which led to the traders being able to say that consumers were mistaken or incorrect.

Having identified this as a key priority in 2017, regional intelligence identified a potential organised crime group and the NTS North East Regional Investigation Team began a major investigation with support from the NTS National Tasking Group. This focused on the sellers and their wider business contacts. Based on intelligence received over a number of years, the most prolific offenders were identified and targeted interventions planned. In addition, organised crime group mapping and national flagging raised the issue with police services across the country. This partnership enabled evidence to be obtained which supported individual prosecutions.

Four fish sellers were prosecuted by the NTS North East Regional Investigation Team in 2020/2021. All received prison sentences and/or criminal behaviour orders that prevent their participation in any door-to-door sales practices. A fifth seller who pleaded guilty is also due to be sentenced and NTS is leading a further four ongoing investigations in 2021/22.

EMERGING THREATS

Technological advancements, growing social trends and new consumer fashions tend to be accompanied by a wave of new scams and threats as criminals pivot and seek to take advantage. This has been plain to see over the past year: the shifting restrictions and changing behavioural patterns associated with Covid-19 are being exploited by criminals for illegal gain.

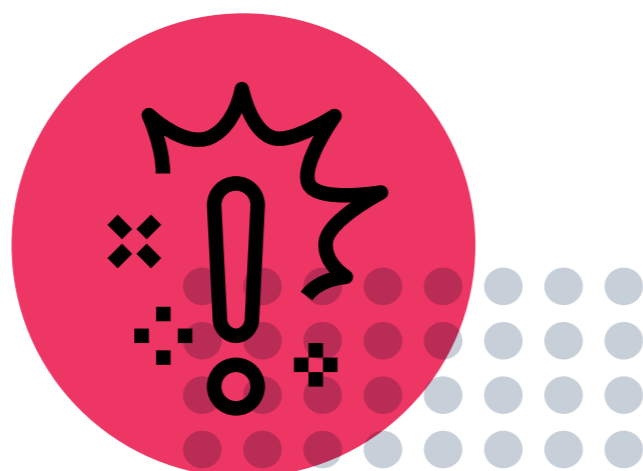
The ongoing Covid-19 pandemic has led to a 22% surge in issues recorded on the Trading Standards Intelligence database. This increase is largely due to issues around Fair Trading doubling – and 94% of this increase can be attributed to Fair Trading issues associated with Covid-19. Prominent examples of Fair Trading breaches include:

- Businesses not adhering to legislation and restrictions related to the pandemic
- Price gouging, where businesses heavily inflate prices for everyday goods and services to exploit increased demand.

The lockdown period, which heralded a major social change in terms of people working from home or shielding, was a time when criminal activity mutated in order to profit from the situation. Businesses and individuals were targeted in new ways, using sophisticated digital and online techniques as well as targeting people in vulnerable situations on their own doorsteps. Organised crime groups also expanded their involvement in a variety of illegal activities on a regional and national level.

Meanwhile, the UK's departure from the European Union is a major policy change that will continue to have repercussions for some time, as will the government's response to climate change.

This section highlights some of the developing threats that we expect to continue to emerge or develop in the coming year.



ILLEGAL PUPPY FARMING

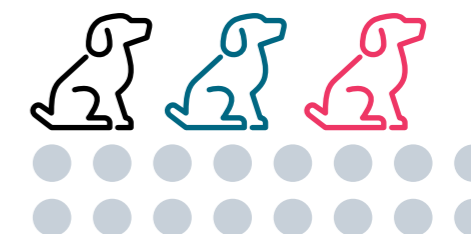
Covid-19 and lockdown restrictions saw a steep rise in public demand for pets, particularly dogs, as more people were able to work from their home. The increased demand has been accompanied by a surge in illegal puppy sales: illegal puppy farming has become a profitable opportunity with potential links to organised criminality.

Puppy farming incidents recorded on the Trading Standards intelligence database more than tripled last year, with 1,220 logs reported in 2020/21. This is an increase of 881 from last year (339 intelligence logs were recorded in 2019/20).

Illegal puppy farming increases the risk to animal welfare and has a big impact on fair trading due to mis-description and mis-selling. Consumer issues raised include poor puppy health through lack of care and proper hygiene, with some even subsequently dying from neglect.



Lockdown restrictions saw a steep rise in public demand for pets, particularly dogs (which) have been accompanied by a surge in illegal puppy sales



GREENER HOMES SCAMS

Criminals are exploiting the efforts of Government and homeowners who are trying to make their homes more environmentally friendly – and it's a developing area of concern. Consumers are reporting that the biggest issues they are facing from criminals are associated with:

- Boiler installation and servicing
- Insulation (including wall coating)
- Double glazing.

These jobs are often mis-sold at vastly inflated prices or involve the fraudulent business masquerading as being involved in government schemes to reduce a home's carbon footprint.



Fraudsters are likely to exploit the Government's commitment to tackle climate change

IMPERSONATION SCAMS

Impersonation scams saw the biggest increase of any scam type last year, almost doubling in 2020 compared to 2019.

Throughout 2020, criminals sent scam text messages, phone calls and emails impersonating trusted organisations such as banks, utility companies, e-commerce firms, delivery companies, the NHS and broadband providers.

Examples of impersonation scams

- Criminals are adapting to the rise in online shopping and remote working by impersonating parcel delivery companies, e-commerce platforms or broadband providers.

- Another example preyed on people's anxieties about the virus and their own health, with SMS messages appearing to be from the NHS inviting people to 'receive the vaccine' by providing their personal and financial details.



Criminals are adapting to the rise in online shopping and remote working

USING 'SOCIAL DISTANCING' FOR HIGHER HOUSE PRICES

A number of issues have arisen around the sale of homes during the pandemic. One particular issue that has been reported includes estate agents demanding financial information from prospective buyers before allowing viewings. This includes demands for a mortgage in principle offer and/or bank statements proving a buyer has the deposit before allowing viewings on properties for sale.

They do this under the guise of social distancing rules, but the concern is that some agents are using the coronavirus restrictions to ascertain what maximum mortgage a potential buyer can obtain. Dishonest agents then use this information to gain a higher price for the seller and greater commission for themselves.



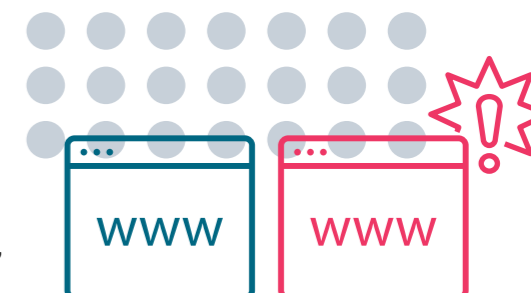
Some agents are using the coronavirus restrictions to ascertain what maximum mortgage a potential buyer can obtain



COPYCAT WEBSITES

Customers in the UK are expected to spend £141.33 billion on internet shopping in 2021. This trend – which has accelerated since the onset of the Covid-19 pandemic – has led traditional high street retailers to embrace digital platforms to reach their consumer base, in turn increasing their profits and cutting overheads. This presents greater opportunities for the criminals committing eCrime, online fraud or identity theft.

Analysis of domain suspension requests has shown an increase in the use of 'copycat' websites. This is where criminals replicate a reputable and legitimate trader's website, including the use of the same company registration details, but with a slightly different domain name for the website. Through search engine and social media advertising, consumers are then misled into believing they are purchasing from the genuine trader when in fact they are dealing with the 'copycat' company and invariably end up losing their money.



Through search engine and social media advertising, consumers are misled into believing they are purchasing from the genuine trader

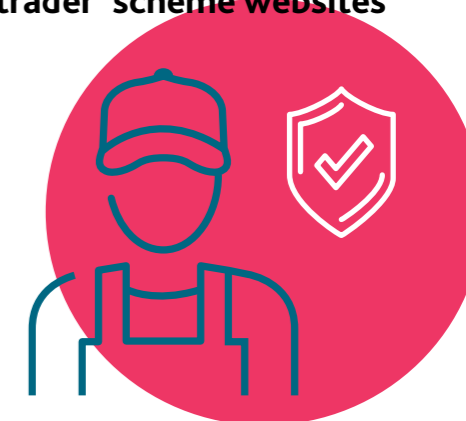
FAKE 'APPROVED TRADER' WEBSITES

We have recently seen traders creating their own 'approved trader' scheme websites. Intelligence suggests this may be linked to serious and organised doorstep crime offending, where websites are listing supposed 'official' approved property repair companies, when in fact the approval scheme is non-existent, and most traders listed appear to be connected to known doorstep crime offenders.

The perpetrators appear to have applied this technique during the lockdowns associated with Covid-19, recognising that consumers are increasingly reliant on the internet to research prospective tradespeople.



We have recently seen traders creating their own 'approved trader' scheme websites





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Protecting Consumers
Safeguarding Businesses