



**NATIONAL TRADING STANDARDS
- TEN YEAR IMPACTS**

APRIL 2012 – APRIL 2022

Introduction

The Government, led by BEIS, set up National Trading Standards (NTS) in 2012 as part of its approach to improve consumer protection in GB. NTS operates in England and Wales and achieves its outcomes by enabling the Trading Standards system to work together and by using Government grants to commission Trading Standards related work.

Trading Standards is key to protecting people, especially the most vulnerable, during a cost of living crisis when they need every penny and cannot afford to lose money through fraud or scams. Reducing resources now, when people need this the most, would be catastrophic for the individuals affected.

The crisis will likely exacerbate consumer problems in some areas, with a potential proliferation of illicit goods (unsafe imports, illicit tobacco, counterfeits) and increases in scams in relation to fuel rebates, home “energy efficiency” claims etc.

Trading Standards also ensure that there is a level playing field for businesses, many of whom are facing unprecedented problems just as they try to recover from the pandemic. This is the moment when Government has to get behind honest small traders and honest entrepreneurs who want to flourish and help build the UK economy. Trading Standards are a key weapon in the fight both as a source of advice and dealing with those rogue traders illegally undercutting UK businesses.

NTS enables the Trading Standards system to work. The outcomes it achieves are in partnership with Government, regional Trading Standards Groups and local Trading Standards Services who deliver the work either by local services working together or via regional or national teams hosted by some local authorities.

With BEIS funding, NTS has created an integrated system where Trading Standards issues can be dealt with locally, regionally and nationally with issues moved up and down the spectrum depending on their nature.

Underpinning this is the streamlined structure of seven NTS Programme Office Staff and the small Trading Standards Regional Coordination system that, between them, ensure that any individual has access to a named person they can approach for help and support.

The current NTS budget from BEIS is about £12 million p.a. Typically it received approximately £4-5 million from other Departments and agencies. This equates to approx. 14%¹ of the total spend on Trading Standards.

NTS functions have changed over the decade since 2012, but below are the key impacts it has had on the consumer protection landscape in this time. These are broken down into four sections:

- Enabling Delivery for Government
- Delivering an Intelligence Based System for Consumer Protection
- Preventing Detriment for Consumers and Businesses
- Benefits to local authority Trading Standards Services

1. 12m+4.5m/100m+12m=4.5m 100m based on 21-22 I&O report

SECTION 1: Enabling Delivery For Government

Provide a Trading Standards System that all Government can use

While BEIS remains the main funding body, NTS has delivered work for the Food Standards Agency, DLUHC, Home Office, DCMS, Treasury, and HMRC. Discussions for new roles are underway with DEFRA and the Office for Students. With 10 years' experience, established governance, robust financial structures and a history of delivery, NTS is recognised across Government for its ability to deliver Trading Standards related work that Government requires.



NTS can flex its delivery to respond to Government's priorities. For example:-

- At the request of the FSA, NTS developed guidance and a funding model to allow the post BREXIT implementation of EU checks on imported feed.
- NTS worked with the Home Office for two years, to fund the first ever prosecutions for online knife sales to children and the first ever national survey of the levels and results of age restricted test purchasing work.
- Post the Grenfell tragedy, NTS was approached by DLUHC, to provide support and co-ordination for local authorities dealing with safety issues associated with manufacturers of glass composite fire doors.
- During the Covid pandemic, NTS responded to Government requests to attend and support cross Governmental intelligence via the CPP partnership.
- NTS provides the FSA with detailed intelligence on compliance within the animal feed sector to inform their policy development and action plans.
- NTS provides a mechanism for fast responses to emerging problems in the food chain, e.g. delivering sampling programmes to test for illegal antibiotics and issuing guidance on CBD oil for pets and using insects as feed.
- Information sharing arrangements for Government, that would not have been possible before, now exist, e.g. with HMRC to monitor trends in the estate agency sector and ensuring that businesses are registered for redress and/or anti-money laundering supervision.
- NTS supports the cross Government initiative with the National Cyber Security Centre of an online portal to enable businesses to report cybercrime.

- Specific additional enforcement work, at the request of BEIS, in relation to the secondary ticketing market and problems with copycat websites.
- Around Christmas 2016, there was major Government and media concern about unsafe hoverboards. Via NTS, huge numbers were stopped from entering the country as a result of the coordinated intelligence sharing and enforcement by Trading Standards at UK ports. A potential catastrophe was averted by early warnings and much press activity to alert consumers to the dangers and resulted in unprecedented levels of voluntary product recalls.
- DEFRA and the Association of Chief Trading Standards Officers use the NTS infrastructure to coordinate LA response to issues like foot and mouth and avian influenza to protect public health and maintain meat export markets.

Delivers unprecedented engagement in Government work programmes.

- NTS improved engagement of LA's feed delivery for the Food Standards Agency from 30% to 99%. The Government must ensure basic levels of official controls to be able to export meat. When the FSA funded local authorities directly only 30% of them engaged. At one stage the UK was on the verge of being sanctioned by the EU. In 2015/16, FSA asked NTS to run this programme in England, now only one local authority is not participating. This guarantees the minimum delivery required to support the UK farming and meat industries, in a way that could not be done before NTS existed. In the last five years, NTS delivered checks on 20,273 feed premises and 11,119 on imports.
- NTS provided the mechanism for BEIS and DLUHC to appoint statutory lead authorities for Estate Agents Act and Tenants Fees Act. As this was done as part of the TS system it has full buy in from all local authorities, who all actively work with and support the lead authorities.

Working with Government, NTS has also delivered the future proofing of work carried out on Illegal Money Lending and Ports and Borders.

- NTS originally had responsibility for delivering the Illegal Money Lending Teams, hosted by Cardiff and Birmingham, who protect the most vulnerable from loan sharks. In the four years that NTS had responsibility, the Teams dealt with £19.3 million in detriment caused by loan sharks, protected 5,500 victims and prosecuted 73 loan sharks. Working with the host authorities, BEIS and Treasury, NTS secured funding via an industry levy via the FCA to ensure the sustainable future of their crucial work and lifted a pressure from the public purse.
- When NTS took over ports and borders work in 2012, only Felixstowe and Southampton were receiving BEIS funding. NTS significantly increased investment and by the time OPSS took the work in house, 15 ports were receiving funds based on intelligence and risk, including container ports, roro ports, airports and postal hubs. A proper mechanism for calculating detriment was established. In five years, this work prevented over £461 million in potential harm, saved 29 lives, prevented 8,618 fires and prevented 10,005 injuries.

SECTION 2:

Delivering an Intelligence Based System for Consumer Protection Work

Trading Standards offending has proven links to organised crime. NTS has mapped 36 Organised Crime Groups (OCGs) and flagged 213 OCG nominals. In September 2021 the Government said that Serious and Organised Crime *"kills more people every year than terrorism, war and natural disasters combined..... And it costs the UK at least £37bn a year – equivalent to nearly £2000 per family."*



As part of the Trading Standards system, NTS leadership has meant that the use of intelligence is embedded across the whole system to ensure resources, national or local, are targeted to best effect and that information is shared with partners.

- The Intelligence Operating Model was developed and has been adopted across all Trading Standards authorities in England and Wales.
- A National Strategic Assessment is prepared annually with the resultant Control Strategy setting out the national priorities for the year ahead.
- There is an expert NTS central Intelligence Team and dedicated regional intelligence functions to support the system at all levels.
- For the first time, all local authority Trading Standards Services now all use the same intelligence database (IDB), NTS subsidises the local licence cost and key Government Agencies such as the IPO are now also using it.

- NTS secured the first non-police access to the Police National Database
- NTS provides regional access to the Police National Computer.
- All NTS supported investigations use a common case management system.
- NTS coordinates access for Trading Standards to the Serious and Organised Crime System Tasking.
- NTS created the Sanctions Information Database with over 2,000 current Trading Standards users and over 22,000 legal sanctions, to record all TS offences and enable antecedent information to be accessible for court hearings.

This entire infrastructure is provided free of charge to local authorities. If NTS support were stopped there would be no funding for any national or regional infrastructure or access for local authorities to several key databases. With local authority resource being so stretched, it is highly likely that any form of coherent intelligence system would completely disappear.

SECTION 3: Preventing Detriment for Consumer and Businesses

Detriment and Value for Money

In 10 years, NTS has dealt with £1.54 billion in consumer and business detriment² - equating to £11 detriment is prevented for every £1 invested



Prosecuting Criminals

NTS provides funding for Regional Investigation Teams and a national tasking process that enables large scale Trading Standards cases to be prosecuted. The vast majority of these would not be possible without this system, as local Trading Standards Services would not be able to support funding for such long, complex and expensive cases. The more serious the offending, the more likely well-resourced defendants are to make multiple legal challenges, including to Courts of Appeal. At a local level, the risks associated with these become impossible to manage in many areas. Over 10 years, the NTS Teams and investigations funded by NTS have achieved the following:

- Prosecuted 763 of the most serious fraudsters, counterfeiters, car clockers, rogue builders etc.
- Criminals who rip off consumers and undermine legitimate businesses were jailed for over 1143 years³
- £28,844,140⁴ in criminals' assets were ordered to be paid back in Proceeds of Crime Orders
- Secured £3,689,967⁵ in compensation to victims

Website and Social Media Takedowns

In addition to action through the Courts, the NTS E Crime Team secures website and social media takedowns and gets content suspended. This is a very effective technique to stop scams, frauds and other Trading Standards offences. It can be quicker and easier, in appropriate cases, and enables action to be taken against overseas entities. NTS has protocols in place with various online platforms to facilitate this. On average NTS secures website or content takedown about 700⁶ times per year.

Dealing with illicit products

UK businesses can only thrive if the supply of illicit goods is minimised and proper enforcement action taken.

In a new programme for HMRC, which started in 2021, NTS enabled seizures of £8.3 million worth of illicit tobacco. This programme has been secured for a further three years so we anticipate seizures of circa £40 million⁷ in total by then. This has big public health benefits and also ensures the proper revenue generated by legitimate trade is paid to the Government.

NTS supported "Operation Jasper" which delivered a series of co-ordinated raids by Trading Standards, over several years, in partnership with National Market Group partners. There were also disruption activities and concerted media campaigns.

NTS works closely with the IPO and has developed much closer liaison between the IPO and the Trading Standards system. This has included:

- Facilitating work for the IPO to determine the availability of counterfeit products at designated markets, when previous attempts to do this via private investigators and brand-holders had failed.
- Piloting a programme of embedding regional IPO officers within the TS system.
- Landmark work with self-storage units, who often facilitate intellectual property crime, working closely with the self-storage industry.
- Supporting and providing funding to two major multi-agency investigations into counterfeiting, one in the Strangeways area of Manchester and one tackling the supply chains into key markets.
- Just this year, a multi-agency exercise in relation to a large-scale counterfeit clothing factory in Leicester resulted in £5 million worth of counterfeit products being seized. The Teams received an award from the Anti-Counterfeiting Group. It has been estimated that the one-year impact of inflation at 15% would result in over 16.6m counterfeit goods being placed on the market⁸.

Mass Marketing Scams

NTS funds a Team dedicated to tackling mass marketing scams. They work with many overseas enforcement agencies to help disrupt scam mailers. They also identify repeat scam victims and work with local Trading Standards to assist with interventions and safeguarding measures. Out of 198 local authorities across Great Britain, 171 have signed an agreement to support an agreed number of identified victims (dependent on their resources)⁹.

- Over 5 years they have stopped over 11.2 million items of scam mail being delivered
- The Team has helped 165 LAs and over 11,300 of the most vulnerable victims
- Made total savings for scams victims of over £120 million

Friends Against Scams is a national initiative designed to change people's perception of scams and scam victims. This initiative won a Counter Fraud Government Award for Excellence in Fraud Awareness and in 2021 signed up its 1 millionth member, the Consumer Minister, Paul Scully. A website for Friends Against Scams, providing advice and a whole range of resources, has been produced for use by all local authorities.

Partnership working with Financial Fraud Action UK led to the roll-out of the Banking Protocol to 25 Police Authorities. This initiative encourages banking staff to identify customers who are under duress to pay fraudsters and ensures a police response. Joint working with Citizens Advice and the College of Policing provides ongoing training development for staff.

A tool has been developed that will allow consumers to reports online scams directly to CitA but via partner web sites.

Used Cars

The second hand car market has been one of the most complained about industry sectors in the UK for at least the last ten years. Rogues selling cheap, clocked or unroadworthy cars often impact the most financially vulnerable buyers. NTS supports an expert group who share best practice and have developed tools such as a used car trade sector risk assessment model to enable activity to be targeted to the most dangerous garages. NTS also provides funding for cross border local authority disruption projects to enable authorities to have the extra capacity to tackle regions' most complained about used car traders. Over the last four years this disruption work has prevented £1,943,770 in consumer detriment.

Doorstep Crime

Doorstep crime causes huge emotional and financial detriment to the most vulnerable members of society. The target victims are usually white females, living alone, aged 75 and over. An NTS Working Group has been set up to share best practice. A very comprehensive Toolkit for officers enforcing this crime has been developed, is available free and is fully accessible by 'phone as an 'on the spot' reference tool at incidents. A significant number of NTS funded large cases relate to doorstep crime.

Estate and Lettings

DLUHC invests approx. £1.2 million p.a. Due to changes in roles, data is only available for three years but in that time the Team has dealt with¹⁰ 4,356 incidents, assisted LAs 880 times, and issued 291 prohibition orders, warning orders and penalty charges. The Team has recently worked with the main property selling portals to agree a list of key information that 90% of consumers want to see featured in all their property listings.

Security of the Food Chain and Viability of Meat Export Markets

As part of the feed delivery programme, done on behalf of the FSA, NTS delivers a programme of checks on animal feed which are required to keep the UK meat export markets open and helps to prevent future crises such as the BSE situation.

SECTION 4:

Benefits to Local Authority Trading Standards Services



Whilst Trading Standards activity crosses many Government Departments, it is recognised that Government has an expectation for BEIS to “lead” on general Trading Standards policy issues and ensure that the system is effective at local, regional as well as the national level.

As part of its work NTS has supported local authorities in a number of ways to help them maximise efficiencies, upskill staff and ensure better coordinated services. This is all done at no cost to local authorities, beyond their support for the system with staff time. The fact that local authorities are so supportive of NTS in this regard, shows the value they place on the system.

Trading Standards services have worked together in regional groups for many years that pre-date NTS. Over 10 years, NTS has invested in regional coordination and the regional infrastructure which is crucial as it enables sharing of best practice and service efficiencies. This now averages £140,000 per region per year¹¹. At a national level, NTS could not function without organisation at a regional level. The regions also provide the governance for NTS, with each region having a Board member and a democratic say in NTS priorities and work.

Examples of some of the benefits to local authorities are listed below.

Training and Toolkits (all provided free of charge)

Intelligence Operating Model: 1,325 users currently signed up to the IOM e-learning modules.

SCAMchampions resources and training packages.

Multi-Agency Approach to Fraud toolkit was produced and rolled out across UK police force areas with over 361 people being trained.

Feed: NTS provides at least one major topical training course each year, free of charge to local authorities. This year it will focus on the changes to import controls post BREXIT and over 200 officers have signed up.

On Line Crime: There has been significant training to deal with on line crime including: 200 officers trained in Social Network Investigations; almost 1300 users of the Basic Internet Investigations e-learning course; over 150 officers trained on “How to spot a scam website”; and 10 open-source training videos.

Estate Agency and Lettings: The NTS Estate Agency and Lettings Teams have:

- Provided a Tenants Fees Act eBook (which now has 851 users)
- Trained over 700 officers on the new Tenant Fees Act.
- Conducted webinars on: Tenant Fees Act for Heads of Service; Introduction to the Tenant Fees Act 2019 - A guide for landlords; Housing law for Trading Standards staff; and Client Money Protection.
- Provided training on the Estate Agents Act to officers.

NTS has also provided toolkits free to all local authorities on priority areas:

- Fulfilment Houses
- Doorstep Crime (1140 users)
- Utilities Against Scams
- Multi-Agency Approach to Fraud
- Under-age Knife Sales
- Real Deal Online
- Scams Team
- Safeguarding Vulnerable Adults
- Energy Efficiency
- Improving Compliance in the Car Trade
- Letting Legislation

11. RIF+feed+RC divided across 10 regions

Sharing Best Practice via Knowledge Hubs and Working Groups

NTS has set up and administers Knowledge Hubs (KHubs) for the National Agriculture Community and Estate Agency and Lettings. These have over 1000 members. KHubs allow officers to post questions and queries, share best practice and access documents.

NTS provides support to the National Animal Health and Welfare Panel, two national Feed Groups, and working groups on Doorstep Crime and Used cars. These support local authorities by providing advice and support and answering technical enquiries. This saves hard pushed local authorities time and money and helps ensure businesses receive consistent advice.

Without NTS resources to host meetings, provide administrative support and deliver follow-up actions, it is unlikely that local authorities would be able to support these national groups.

Guidance

A wide range of guidance material has been produced covering all NTS funded areas. These assist local authorities to upskill their staff and to ensure that advice and guidance provided to businesses is correct and consistent. Examples include:

- A guide to conducting major Trading Standards investigations
- Digital Disclosure Guide
- Guidance on Leasehold Redress and the transparency of property sales fees
- Animal Feed – On average at least four items of guidance are provided each year to assist local authorities. These have included: registration guidance, assessing compliance, internet sales, identifying feed consignments, working with port operators and importers, and information sharing.

Digital Forensics

NTS provides a Digital Forensics Authority, this provides free support for NTS funded cases but also provides support to other regional and local cases if there is available capacity. Since 2016, the laboratory has processed in excess of 6,000 digital exhibits (computers, mobile 'phones, hard-disks, satnavs, CCTV, servers, storage devices etc.) They also assist Teams with on-site data captures and web captures to provide evidence in cases. The Unit has supported 99 individual local authorities.

Provision of Stand-alone computers for online enforcement

NTS has provided over 85 local authorities with new or upgraded stand-alone internet equipment to enable them to conduct covert enforcement activities, gathering evidence to support the investigation and, if appropriate, prosecution of rogue traders.

Multi-Agency Approach to Fraud (MAAF)

In a new initiative, over the last two years, NTS has invested over £400,000 (in support and call blockers) for Multi-agency Approach to Fraud (MAAF) work, this was supported with a small sum from the Home Office. This is a partnership initiative, co-ordinated by the NTS Scams Team. Currently, 29 police forces are actively engaging with the project. Almost 1300 call blockers have been provided to protect the most vulnerable from scam telephone calls. In addition, over 150 delegates attended training for local authorities who are interested in running their own local call blocker project.



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