

## **CEREDIGION COUNTY COUNCIL**

<b>Report to:</b>	Healthier Communities Overview and Scrutiny Committee
<b>Date of meeting:</b>	20 <sup>th</sup> October 2021
<b>Title:</b>	Trading Standards (Scams update)
<b>Purpose of the report:</b>	To update Scrutiny on scams and doorstep crime issues and the work undertaken by Trading Standards.
<b>For:</b>	For information
<b>Cabinet Portfolio and Cabinet Member:</b>	Councillor Gareth Lloyd – Public Protection

### **Background**

In common with most trading standards authorities across England and Wales, Ceredigion's Trading Standards Team (TS Team) uses, as a first point of contact for members of the public, the Citizens Advice Consumer Service (CACS) which has been set up and funded nationally by central government to offer consumer civil advice and to act as a portal for referrals to local authority trading standards teams. Relevant information is then passed to each local authority on a daily basis for them to take any appropriate action. The TS Team requests that 100% of scam and doorstep crime complaints are passed through.

The Service also uses the National Intelligence Operating Model to identify priorities based on consumer detriment and vulnerability and scams and doorstep crime consistently features in its top 5 priority areas.

In 2019/20, the TS Team received 552 reports from CACS, 40 of which were specifically related to scams and doorstep crime.

The Team also receive referrals from National Trading Scams Team (NTS Team). The NTS Team enable us to:

- Identify Ceredigion victims of mass marketing fraud,
- Visit and support these local victims
- Return money intercepted by the NTS Team to scam victims.

During the same period, the TS Team dealt with 48 scam victim referrals from the NTS Team; each report is triaged and the intervention depends on the level of risk associated with that individual.

### **Scams**

Scams have sadly become part of everyday life and is getting more sophisticated and develops quickly when the opportunity for fraud presents itself; such as with Covid-19 currently or green deal initiatives. In relation to such scams, criminals who perpetuate

these types of scams are generally based out of county, all too often outside of the UK, which makes it very difficult to prosecute them within our local enforcement authority.

Action Fraud reports that since lockdown began, over £2.5bn has been lost to scams and this is just what has been recorded - the actual figure is likely to be much higher. They are relatively easy crimes to commit, the degree of risk to the perpetrator is less than in many other criminal activities, for the most part the offences are under-penalised and many, if not all, of the enforcement partners are struggling with resources.

### **Covid-19 associated scams**

During the pandemic, with people having to stay at home, many households became reliant on good internet connectivity for online shopping, working from home, home schooling, online entertainment subscriptions, etc., and the typical online and delivery scams that fraudsters used to attempt to make money out of the unsuspecting public included:

- Texts and emails being sent to people to lure them to apply for the Covid-19 vaccine
- Automated message saying that BT were going to suspend your broadband because your IP address had been compromised, and the message asking the recipient to 'press 1' to continue.
- Automated message saying the call is from Amazon Prime claiming that they would charge the recipients card £79 for Amazon Prime.
- Text messages purporting to be from Royal Mail stating that there is a package that needs to be rescheduled, or an item is waiting to be collected and asking the recipient to press on a 'bit.ly' link

Out of the 740 consumer complaints/reports received by the TS Team since the beginning of the pandemic, 67 cases related to Ceredigion consumers having experienced directly some form of unfair trading practice as a result of Covid-19 e.g. breach of contracts, traders refusing to refund and return deposits relating to cancelled holidays/weddings/events, or failure to provide a service, etc.

### **Doorstep Crime**

Doorstep Crime can affect anyone, but it is often elderly and vulnerable people that are targeted by rogue traders offering home improvement or gardening services, etc. Doorstep crime often results from an initial cold call. Unscrupulous traders will carry out unnecessary, substandard and sometimes even dangerous work and then use strong arm tactics to persuade consumers to part with large sums of money for poor workmanship.

The TS Team works closely with partners such as Dyfed-Powys Police to try to maximise the impact locally of its activities and avoid duplication. All intelligence related to scams and doorstep crime is added to a central intelligence database which is disseminated to the Police and other enforcement agencies as appropriate.

The response of the TS Team to doorstep crime incidents is more enforcement based and the Team attempts to respond to all reported incidents including, where possible, with the assistance of the police.

Investigating this type of rogue trader activity and protecting vulnerable consumers from them continues to be a priority for the TS Team. The Service currently has a number of ongoing investigations with one prosecution pending. Results of our most recent prosecutions of rogue/unscrupulous traders is attached to the report in Annex A.

For investigations involving individuals/businesses operating in Wales whose criminal activity crosses county lines, Trading Standards Wales, funded by National Trading Standards has set up a Regional Investigation Team that assists Welsh local authorities with complex/major investigations involving multiple authorities because many local authority Trading Standards services no longer have the resource and capacity to take on large investigations.

The Service also tries to take a wider, more innovative approach alongside our normal enforcement procedures. The following includes examples of initiatives the TS Team, working with partners (in particular National Trading Standards) is involved with:

- The national UK banking protocol; an initiative through which branch staff can alert Police/TS to suspected scams, often when the perpetrator and/or victim is still on the bank premises
- A national initiative with Royal Mail to identify and remove scam mail from the postal system
- Providing talks and presentations to community groups on scams awareness
- The Service participates in national partner initiatives such as National Rogue Trader Week, Scams Fortnight and Scamnesty Month;

A week of planned multi-agency action within Wales is due to take place between 11<sup>th</sup> and 15<sup>th</sup> October 2021. Working in partnership with other enforcement agencies e.g. Dyfed-Powys Police, HMRC, DWP, DVSA, etc., the intention of the week of action is to displace and disrupt rogue trading within Wales, take enforcement action for any offences or incidents identified at the time of the exercise, provide a strong anti-doorstep crime message across Wales, as well as offer assistance vulnerable consumers by preventing rogue trading incidents from happening and making safeguarding referrals where necessary.

### **Summary**

In summary, it is probably reasonable to talk about a global “epidemic” of scams and doorstep crime and there is significant consumer and business detriment involved.

The current capacity of the TS Team given the broad range of other regulatory activity for which Trading Standards undertakes, only allows it to be intelligence-led and to focus its resources on enforcement activities associated with rogue/unscrupulous traders operating within Ceredigion. Although enforcement plays a role, the Service also tries to take a wider, more innovative approach alongside our normal enforcement procedures but wished it had more resources to undertake more preventative work through awareness raising and education.

**Has an integrated impact assessment been completed? If not, please state why** No

<b>Wellbeing of Future Generations:</b>	<p><i>Summary</i>  <b>Long-term:</b></p> <p><b>Collaboration:</b></p> <p><b>Involvement:</b></p> <p><b>Prevention:</b></p> <p><b>Integration:</b></p>
<b>Recommendation(s):</b>	That Scrutiny consider the content of the report and take account of the issues described.
<b>Reason(s) for decision:</b>	To deliver a fit for purpose trading standards service.
<b>Overview and Scrutiny:</b>	
<b>Policy Framework:</b>	Corporate Strategy 2017-2022
<b>Corporate Priorities</b>	<ul style="list-style-type: none"> <li>• Promoting Environmental and Community Resilience</li> </ul>
<b>Finance and procurement implications:</b>	Within budget
<b>Legal implications:</b>	None
<b>Staffing implications:</b>	None
<b>Property/asset implications:</b>	None
<b>Risk(s):</b>	Legal challenge / Reputational damage – legislation has placed a duty on the Authority to enforce the provisions of the Consumer Rights Act 2015 and Consumer Protection from Unfair Trading Regulations 2008, etc.
<b>Statutory Powers:</b>	Consumer Rights Act 2015
<b>Background Papers</b>	None
<b>Corporate Lead Officer:</b>	Alun Williams (Policy & Performance)

**Reporting Officer:**

Anne-Louise Davies (Trading Standards & Licensing Manager)

**Date:**

14<sup>th</sup> September 2021

## **Appendix A**

### **Trading Standards Prosecutions**

#### **1. Danny McClelland trading as DVC Home Improvements**

Court: Aberystwyth Magistrates

Date of court case: 17<sup>th</sup> December 2020

Defendant: Danny McClelland, trading as DVC Home Improvement

Plea: Pleaded guilty

Nature of offending/offences: Fraud/unfair trading practices

Sentence: 16 weeks imprisonment, suspended for two years and ordered to carry out 15 rehabilitation days, 200 hours unpaid work, and to pay the victim compensation of £2,000 within 14 days.

Prosecution Costs: £2,159.64

Court surcharge: £122.

#### **2. Colin Harding**

Court: Aberystwyth Magistrates

Date of court case: 17<sup>th</sup> December 2020

Defendant: Colin Harding

Plea: Pleaded guilty

Nature of offending/offences: Fraud and product safety offences

Sentence: 12 month Curfew Order with electronic monitoring from 7pm to 7am and ordered to pay £250 compensation within 14 days

Prosecution costs: £750

Court surcharge: £90

Harding had previously been prosecuted by Trading Standards for fraud and product safety offences and had been given a suspended sentence for those earlier offences and this subsequent offence occurred whilst on a suspended sentence.