

How charities should avoid associations with scams

About the National Trading Standards (NTS) Scams Team

Mass marketing scams, which are often targeted specifically at vulnerable or disadvantaged consumers, cause between £5 and £10 billion of detriment to UK consumers per year (based on NTS data).

A mass marketing scam is a “misleading or deceptive business practice where the person receives an unsolicited or uninvited contact (e.g. by letter, email, phone or advertisement) and false promises are made to defraud the victim out of money.” Scammers use persuasive language to get people to respond and, having responded, victims are reluctant to seek help from their peers.

The NTS Scams Team is funded by National Trading Standards and hosted by East Sussex County Council Trading Standards Service. The Team has five core objectives:

- To IDENTIFY victims of fraud
- To INTERVENE and protect victims from further victimisation
- To INVESTIGATE criminal activity
- To INFORM local authorities and agencies on how to work with and support scam victims
- To INFLUENCE people at local, regional and national levels to TAKE A STAND AGAINST SCAMS

Why are we involved with the charity sector?

There are three key reasons for our involvement:

1. During the course of our work we have been made aware of **bad fundraising practice**. This bad practice has the same effect on vulnerable consumers as scams, in enticing those individuals to give money where they would not have normally done so. Legitimately informing and persuasion has gone too far and resulted in unnecessary pressure.
2. We have also seen charities who have been involved in **data sharing** which has then been passed to criminals who go on to exploit the consumers and specifically vulnerable consumers by targeting them with scams and then grooming and trafficking their personal data further. These scams cause consumers to lose billions of pounds per year.
3. Finally, in extreme cases, we have seen charities that appear to be acting largely as a **legitimate front for criminals**, using the charity to obtain victim data which they later exploit and then target consumers to defraud them.

Guidance

This document seeks to advise charities of all sizes on best practice to adopt in relation to fundraising practice and data sharing:

Fundraising Practice

We believe the following advice must be followed:

- Do not use misleading statements. The wording used in charity mail, for example, “you have been chosen”, “specially selected”, “time critical reply” etc. should not be used. Differentiate your fundraising from scam mailing by being transparent in all you do and all you say.
- If employing third party fundraising companies, the charity must be aware and sanction all of their approaches and material. This is particularly important when involving prize draws, sweepstakes or lotteries etc.
- Any free prize draw offered should be without obligation and detail the date of the draw and prizes available.
- Donors should initially opt in to receiving further contact and there should be a clear opportunity for the recipient to opt out in any further mailings.
- If intending to circulate data outside the charity (including other charities) then this should be specifically covered by an opt in option for the respondent.
- Your charity should have a clear policy about dealing with vulnerable donors and ensure that it is being followed.
- Material or other fundraising practices should not pressurise people to donate.
- You should comply fully with the Code of Fundraising Practice and also ensure there is sufficient auditing and monitoring of your fundraising activities to demonstrate compliance.

Data Sharing

We believe the following advice must be followed:

- Charities must not sell or rent data to third party commercial data brokers.
- When purchasing data for fundraising activities suitable due diligence should be followed to ensure that this data has been made available legitimately, ie;
 - Data subject has authorised distribution within the last 5 years
 - Data subject is not a member of the Mailing Preference Service (MPS)
 - Data subject list has been cleansed for those who are deceased.
- If using mail providers, mail consolidators or fulfilment companies, contracts should specifically prohibit the use of data for any other purpose except in relation to the charity.
- Any suspicious activity should be reported to the Charity Commission, the Fundraising Regulator or the Information Commissioner’s Office.
- Personal data held by the charity should be kept securely and fully in compliance with the Data Protection Act.
- Data held on respondent’s contact preferences (email, post, telephone) must be complied with and reviewed regularly to ensure that they are current.
- Audits should be conducted to ensure that data is only being shared in accordance with the data subject’s wishes.
- All information on data sharing should be clear, and be in a font size and position that it is easily readable and understood by the recipient.