

**NATIONAL
TRADING
STANDARDS**

Protecting Consumers
Safeguarding Businesses

ANNUAL REPORT

2021-2022

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Executive Summary

This year National Trading Standards Teams and workstreams delivered:

- **4,483** Feed interventions
- Dealt with **£71,946,387** in consumer and business detriment¹
- Had **39²** people convicted of offences
- Prison Sentences totalling **63 years and 9 months³** were handed down
- **£24,400⁴** fines were imposed
- Takedowns or suspensions of **386** websites/social media sites
- Issued **21** warning orders, prohibition orders and penalty notices for Estate and Letting Agents
- Tobacco with a revenue value of **£ 7,823,176** was seized

Between 1/4/14 (when all NTS Teams were fully functional) and 31/3/22, NTS tackled £1,127,787,918 in detriment from a core spend of £102,583,259⁵ million: £11 impact for every £1 spent.

It should be noted that sentencing and detriment figures are calculated at the point of sentencing and the delays in Court cases mean that significant detriment already tackled is not included in the above figures.

This executive summary, summarises key outcomes for the year. It does not summarise all the ongoing work that is done on a continuous basis by all the Teams and local authorities that work with NTS. Summaries of the various prosecutions are contained in each chapter.

In March 2002, as part of a RIT led fraud investigation, legal arguments were made about the **power for local authorities to prosecute for offences occurring outside their area**. The Crown Court judge handed down a judgment which significantly limits local authority powers to do this and the case is now with the Court of Appeal.

All enforcement work continues to be impacted by major **delays within the Court system and increasing legal challenges and legal costs**. With a cash standstill

¹ See annex 5 for detriment calculations. Inc 180000 Haggard, 1112542 Krypton/Regal and 228800 Proctor

² Includes 2 NTSELAT case and 1 knife crime

³ Inc 2 months NTSELAT case

⁴ Inc 10k fine knives and 14k NTSELAT

⁵ BEIS detriment and grant only as detriment figures apply to BEIS related work

budget this is necessarily causing reductions in the number of investigations NTS can fund.

In October, the **Consumer Protection Partnership** evaluated the Scams Awareness Campaign that took place in June 2021. This showed strong media and social media coverage. The Citizens Advice scams advice webpage saw a 12% increase in visits during the campaign.

The **Feed programme** delivered 4,483 activities in the year. This was 96% of agreed activity. NTS collated information, developed guidance and created a funding model to allow the implementation of EU checks on imported feed and feed materials from 1st October 2022. Work will continue in 22/23 but will need to be flexible to react to Government announcements about implementation delays.

NTS provides secretariat support to the **National Agricultural Panel and National Animal Feed at Ports Panel**. The Panels published seven pieces of guidance and four consultation responses and also provided a training course. Coordination was also provided for local authorities responding to major feed incidents.

The Board approved the **strategic intelligence assessment** in September 2021. It was used to develop the national control strategy for 22/23 with priority areas being: doorstep crime and cold calling, mass marketing scams, lettings, energy related fraud, intellectual property, other fair trading issues, used cars, tobacco products and estate agents work.

The NTS Board agreed that **Serious and Organised Crime (SOC) System Tasking** should be done by all regional and national intelligence functions to help identify and prioritise the greatest consumer threats and demands. The **IOM Operating Procedures** were updated in July 2021 to include information on OCG mapping, national flagging and SOC System Tasking. An updated IOM eLearning course was published in January 2022.

NTS finally became the first non-police agency to onboard to the **Police National Database** in November 2021. This enables the NTS Intelligence Team to do PND searches on behalf of Trading Standards Services and NTS Teams and provides direct access to organised crime group (OCG) mapping and PND flagging.

The **NTS Intelligence Team** produced short reports on green energy companies and approved trader schemes, produced profiles on doorstep crime and Operation

Derdap (call centre scams) and undertook communication data analysis to assist a local authority doorstep crime investigation.

The **National Tasking Group** reviewed and considered 54 referral requests. Of these 51 were agreed. NTG approved funding of £4.09 million. Funding was awarded for twelve projects, over two years, on key priority areas.

Used cars: A legal opinion was obtained and shared on the legality of provision of complaint handling services in the sector. One major car clocking case concluded with a total of 30 months in prison for two defendants. Operation Krypton (YAHTSG) developed a risk assessment methodology for most complained about used car traders followed by audits. Operation Regal (LTS) focussed on misleading practices including administrative fees. Compliance advice was given to 287 businesses. It is estimated that these two projects prevented over £1.1 million detriment and full reports have been shared.

Five **energy** related cases are awaiting trial. NTS secured £2.4 million from the Clean Heat Directorate of BEIS over four years for an investigation into a company mis-selling domestic renewable energy systems and the misuse of government consumer grants. The NTS Intelligence Team refreshed the most complained about energy related traders' profile and input into the government consultation on the closure of the domestic renewable heat grant and the CMA work on 'green claims'.

The supply of **large-scale counterfeit and illicit goods to markets** is a key priority. **Operation Beorma**, led by the CEnTSA RIT and focussed in the Midlands, led to over 70 direct enforcement actions, the identification of previously unknown OCG and the recovery of several million pounds worth of counterfeit goods and £400,000 in cash. One man was sentenced to 4 years' imprisonment after pleading guilty to 26 offences for manufacturing and selling fake designer clothes.

Operation Magpie targets counterfeiting activity in the Strangeways area of Manchester. This is led, in partnership with others, by Manchester Trading Standards. There were closure orders against landlords, targeted action days and work with self-storage premises.

London Trading Standards led a nationwide project to identify and improve standards in **self-storage premises** that are known enablers for the counterfeiting industry. Over 50 self-storage businesses, which compromised of over 400 physical premises, signed up to a code of practice. The project is supported by the Self-Storage Association UK and work will continue to March 2023. Intelligence resulted

in several raids and over 35,000 items being seized, having a street value of £3,255,000.

NTS updated the online NTS **Doorstep Crime** Toolkit; 1,063 people signed up to use it. The final report into a project by YAHTSG in relation to printing businesses (who can be enablers of doorstep crime) was evaluated: 198 local printing businesses were contacted; fewer than 15% claimed to have sufficient knowledge of their legal obligations and over 95% confirmed they would welcome guidance. LTS and TSSE installed 120 video doorbell cameras in vulnerable consumers' homes. An assessment showed the cost benefit ratio of the project was 39:1.

Two of the major NETSA RIT **fish selling investigations** concluded. Four defendants received a total of 3 years 9 months in prison. The value of offending was £326,000.

At the end of 21/22, the **Regional Investigation Teams** had 107 open investigations. The Teams closed 29 cases this year and the consumer and business detriment avoided through their intervention was £4,128,804. Notwithstanding the continuing challenges of Covid, lockdowns and court delays, the Teams' successful efforts led to many good outcomes. They had 30 defendants convicted: there were 23 prison sentences – totalling 57 years and 9 months. Seven people were banned from being company directors for a total of 29 years. There were also seven community service penalties totalling 1,170 hours. Three POCA hearings resulted in £729,095.92 in confiscation orders.

The detriment avoided through the **NTS eCrime Team's** interventions and enforcement is £37,591,489. One prosecution was completed in relation to a mobile phone unlocking scam. In October, the appeals on one of the secondary ticketing cases were dismissed on all grounds and POCA will now proceed. Approximately £6 million assets have been restrained. Website and social media takedowns and interventions outside of the court system more than doubled this year to 335. This included a concerted week of action in the run up to Black Friday where the sale of counterfeit goods via Instagram and WhatsApp.

The **Digital Evidence Unit** provided forensic support to 32 LAs' and RITs' investigations and examined over 360 devices. The office and forensic laboratory moved to a new site this year. The Digital Disclosure Guide and associated training were completed. Three on-line training sessions were delivered on the Real Deal Online toolkit. Over 250 officers were trained.

The **NTS Scams Team** identified 1,145 victims and thus made savings of £28,704,753.91 through its investigations and disruption work, and the savings made through local authority support. They stopped 1,075,920 mailings from reaching UK consumers and the financial saving from enforcement disruption is £15,761,363, which includes estimated healthcare and health related quality of life savings. We now have over 914,000 Friends Against Scams. The Team assisted local Trading Standards on 41 enquiries and provided 23 intelligence reports to other law enforcement agencies.

The **Multi Agency Approach to Fraud (MAAF)** toolkit was produced and rolled out across UK police force areas with over 361 people being trained. Funding was provided for 1,298 call blockers as part of this project and over 150 delegates attended training for LAs who are interested in running their own local call blocker project. All the KPIs set by the Home Office for the MAAF work have been exceeded.

The NTS Scams Team also worked on disrupting the fraudulent activities of entities selling **worthless insurance and warranties**. Over 190 potential companies were identified. To date five companies have been dissolved. There has been removal of accounting, payment and serviced office provision from some entities. Over £350,000 has been secured for refund to customers. Investigations by other agencies have involved bankruptcy, national insurance fraud and bounce back loan fraud. The Information Commissioner's office has issued £400,000 in fines and served "stop now" orders on five targets.

Reports on the findings of all the 20/21 **lettings projects** have been published and over £250,000 was allocated for eight further projects.

The **NTS Estate and Letting Agency Team's** Khub now has 791 members. The compliance checklist for enforcement officers was launched. The Tenants Fees Act eBook was reviewed and relaunched. A total of 486 officers have completed the course (120 of those during 2021-22). In conjunction with Propertymark, the Team delivered five full day training sessions on CPRs and Estate Agents Act 1979 to 115 estate and letting agents. A significant number of webinars were hosted by the Team. The first stage of a project to agree the information that should appear on all property sales and lettings listings was launched with support from the Industry.

The Team issued one penalty charge notice, 15 notices and 10 orders under the **Estate Agents Act** and six penalty notices under the **Tenants Fees Act**. One person who continued to engage in estate agency work whilst banned was sent to

prison for six weeks and there was over £20,000 in fines and costs. They also dealt with over 1,500 reports and 470 advice requests.

Buckinghamshire and Surrey Trading Standards dealt with three formal **ASA referrals** in their role as the NTS backstop function. In addition they supported ASA with a range of advice on issues such as pricing, alternative therapies, social media influencers, property raffles and eScooters. The Estate and Lettings Team and eCrime Team provided support in appropriate cases.

ACTSO notified and supported local authorities in relation to 96 confirmed cases of **avian influenza** and a further 82 suspect cases. ACTSO attended 50 National Disease Control Centre meetings. Working with the **National Animal Health and Welfare Panel**, guidance was issued in relation to TB Compliance, intelligence and illegal imports. In addition the framework agreement on animal health was updated.

As part of **Operation CeCe**, local authorities seized illicit tobacco with a revenue value of over £7.8 million. This comprised almost 14.9 million illicit tobacco sticks and almost 4.8 tonnes of illicit Hand Rolling tobacco. The following projects were completed and reports shared with all authorities: NETSA on tackling “tab houses”; TSSE on the prevalence of sales via social media; and LTS on the prevalence of illegal shisha.

Work carried out by Croydon Trading Standards between 2018 and 2021 involved **100 attempted test purchases of knives being sold to children online**, which led to 41 sales, 17 prosecutions and 17 convictions. The final hearing took place in June. Extreme GB Ltd was found guilty and fined £10,000 with £15,000 costs. Prior to this work there had been no prosecutions taken by Trading Standards for online knife sales to children. The fact that all 17 prosecutions resulted in guilty outcomes for the defendants reflects not just the diligence of the prosecuting authority but also the seriousness with which the Courts treat this offence.

Chapter 1 – Introduction

This report summarises the work that has been undertaken and commissioned by National Trading Standards (NTS) and its Teams between 1/4/21 and 31/3/22. Work was based on a National Control Strategy which, in turn, was based on the findings of a Strategic Intelligence Assessment.

NTS delivers national and regional consumer protection enforcement. Its Board is made up of senior heads of Trading Standards Services from across England and Wales with an independent Chair. Its purpose is to protect consumers and safeguard legitimate businesses by tackling serious national and regional consumer protection issues and organised criminality, and by protecting food supplies by ensuring the animal feed chain is safe.

| Objective 1 | Objective 2 | Objective 3 | Objective 4 |
|--|--|---|---|
| Provide a framework for the effective sharing of intelligence to identify and tackle emerging threats, and support Trading Standards across England and Wales. | Ensure effective delivery and co-ordination of enforcement in relation to serious consumer protection crime, mass marketing scams and illicit tobacco. | Deliver a programme of animal feed and food hygiene enforcement to help ensure the safety of the food chain and protect the UK export market. | To deliver a programme of national enforcement, advice and support for local authorities in relation to the property market, in particular the activities of Estate and Letting Agents. |

Figure 1 – Strategic Objectives 2021/22

This report provides a summary of key activities and examples of cases. It is not a full breakdown of activity.

Chapter 2 - Programme Office, Funding, Policy

2.1 Programme Office

The Programme Office for NTS is provided by ACTSO Ltd. It provides support to the Board, Governance Groups and NTS Teams and provides all the required liaison with Government, performance reporting and other functions to enable the NTS' system to work effectively.

2.2 Governance Structures

The Board has established governance groups to provide oversight and strategic direction for each key work area. Details are available on the NTS' website. The Board is advised of progress at regular intervals and gives a strategic steer or decision on any matter that is referred to the full Board.

2.3 2021/22

| Funding | Funding Body | Purpose | Final Spend |
|-------------|---|---|-------------|
| £12,027,000 | Department for Business Energy and Industrial Strategy (BEIS) | Serious consumer protection enforcement, scams and ports safety | £12,027,000 |
| £600,000 | BEIS | Energy Investigation | £600,000 |
| £1,870,632 | Food Standards Agency (FSA) | Safety of Animal Feed | £1,774,154 |
| £560,000 | Department for Levelling Up , Housing and communities (DLUHC) | Estate Agency work | £560,000 |
| £764,188 | DLUHC | Letting Agency work | £757,181 |
| £16,661 | Intellectual Property Office (IPO) | Availability Index Project | £9,848 |
| £1,000,000 | Her Majesty's Revenue and Customs (HMRC) | Illicit Tobacco local disruption days | £939,039 |
| £50,000 | Home Office | Support for Multi-Agency Approach for Fraud | £50,000 |
| £8,100 | Age UK | Training on Scams | £8,100 |

Table 1 – Funding 2021/22

2.4 Cross Border Enforcement Case

In March 2002, as part of a RIT led fraud investigation, legal arguments were made about the authority for local authorities to prosecute for offences occurring outside their area. The Crown Court judge handed down a judgment that significantly limits local authority powers to do this. The case is being appealed and is subject to significant reporting restrictions. If the judgement is not overturned in the Court of Appeal, it will have major impacts on the whole operation of NTS funded cases. However it could take many months for the matter to be resolved. Further updates will be provided in future reports.

2.5 Consumer Protection Partnership

The Consumer Protection Partnership continues to be a priority for 2021/22. The Chair and Director participate in the Strategy Group with a Programme Officer attending all the Operational Group meetings. A member of the NTS Intelligence Team attends the Intelligence Group meetings. NTS' communications experts participate in the Communications Group.

Covid-19 issues became less prevalent during the course of the year, however the consumer protection study due to be published in spring 2022, will be covering consumer generated Covid issues.

There was a presentation from the Online Market Places and Working Group on Intermediaries, of which the NTS eCrime Team was a founder member, which is now affiliated to CPP.

NTS entered into discussion with the CPP Knowledge Hub to ensure that our work is fully represented. A report itemising England and Wales Trading Standards' Enforcement Activity was submitted to the Hub which raised the profile of the doorstep crime work that NTS is funding.

In October, there was a report on the Scams Awareness Campaign that took place in June 2021 which focused on financial services scams. The evaluation showed that there was strong media and social media coverage. The Citizens Advice scams advice webpage saw a 12% increase in visits during the campaign.

There was a presentation from the Department for Culture, Media and Sport on their online advertising programme. The aim is to ensure that the right set of regulators are properly empowered to regulate online advertisements. The role of the NTS' ASA backstop role was acknowledged as a key element of the current Advertising Standards Authority regime.

In January, there was a discussion led by CitA on the repercussions of the increasing cost of living for consumers, focussing on lower income households, and discussions with the CMA on greenwashing claims and behavioural research as well as scams arising from the current crisis in Ukraine.

2.5 Command Paper

The Command paper: *'Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers'*, which covered a broad range of proposals for the consumer protection regime as a whole, was issued in July. NTS, CTSI and ACTSO consulted widely and a joint response was submitted on 27/9/21. BEIS officials provided an update stating that 190 responses were received. There was much support for the consumer rights issues and the formal Government response is due in April 2022. It seems unlikely at this stage that there will be any formal change of status to NTS.

2.6 Strategic Policy Work and Support to ACTSO

The NTS Director provides strategic policy support to ACTSO as part of the Programme Office work. The main areas this year included: publishing the Impacts and Outcomes Reports; new burdens assessments; equalities and diversity related work; participation in the MHCLG Regulatory Services Capacity Review project; food registration system changes; Trade Mark sentencing guidelines; new animal welfare legislation; work on Nitrous Oxide; reports of Product Safety Reviews; review of the Fraud Act; and the Levelling Up White Paper.

In addition, ACTSO funds the Programme Office to support its work in managing membership services and providing events for ACTSO members.

2.7 Communications and Media

NTS Commissions its external communications work from Barley Communications. Support is provided approximately two days per week to ensure that the profile of NTS' work is maintained and outcomes act as both awareness raising for consumers and a deterrent to others who may be tempted to breach the law. A flavour of the work this year is shown below.

In Q1 Barley produced three press releases and reactive statements. This resulted in **55 pieces of coverage**, including **16 pieces** of national coverage, with a potential reach of **807,298,463**. **98%** of the coverage contained at least one key message and included an NTS quote. **84%** of the coverage included a call to action.

The launch of the NTS eLAT engagement programme to improve basic material information on property listings generated widespread coverage across property titles including *Estate Agent Today* and *The Negotiator*. The response from trade media, which was the key target of the effort, was overwhelmingly positive. We also published a guest comment column from James Muir on *Property Industry Eye*.

We worked closely with Citizens Advice and the CPP communications group to ensure NTS featured prominently in the media story for Scams Aware. This helped secure coverage on *The Independent*, *ITV News* and *Wales Online*, which featured quotes from Louise Baxter.

Operation CeCe, the National Trading Standards initiative in partnership with HMRC to tackle illegal tobacco, was a highly targeted press across targeted areas, including Kent, the North East and the West Midlands.

Further national coverage in Q1 includes a print and online *Times* on banking scams which included a quote we developed on behalf of Loui providing consumer advice.

The sentencing of three fraudulent fish sellers also generated coverage in regional *Manchester Evening News*, *Sunday Sun (Newcastle)* and *The Chronicle Live*.

Using two separate news hook opportunities, we secured 35 pieces of coverage for the Consumer Harm Report this quarter by developing press releases and offering NTS comment on doorstep crime and illegal puppy farming. Articles appeared on *BBC News Online*, *The Independent*, the *Daily Mirror* and in a number of key regionals – including print coverage on p.6 of the *Yorkshire Post*. We also secured numerous pieces of radio coverage through the *BBC Central News Service* despite the Cabinet reshuffle.

As part of our work on Operation CeCe, we issued Q2 data to key crime and consumer contacts. Our media outreach resulted in the story going out on the *PA* newswire, helping us to secure a total of 18 pieces of coverage, including from the *Evening Standard*, *Wales Online* and various regional outlets.

We also placed a 'farewell' article from Lord Harris in the *Journal of Trading Standards* to mark the achievements of NTS over the past eight years and to reaffirm the importance of partnership across the sector.

Millions of illegal tobacco products seized in crackdown on illicit trade

The haul of illicit products included more than 1.7Mkg of hand-rolled tobacco and 64kg of e-cigarettes.

In Q2 Barley produced three press releases, three reactive statements and a number of comments. This resulted in **96 pieces of coverage**, with a potential reach of 1.5b. **97%** of coverage had at least one key message and **90%** included an NTS quote. **52%** of the coverage included a call to action.

Handling the Chris Wood appeal for NTS eLAT, we issued a reactive statement to property media in response to questions arising from a press release issued by the appellant and ensured these were added to existing articles. We liaised closely with media to ensure this comment was included in the existing articles rather than form the basis of a new story, which had the potential to escalate.

Similarly, we carefully managed criminal and civil proceedings concerning Operation Best. We led media handling, developing media plans including reactive statements and supporting partners.

We developed and issued press releases for Op Beorma, Op Hydrogen and Op Blwa following sentencing. This resulted in 16 pieces of print and online coverage – including articles in the *Northern Echo*, *Birmingham Mail*, and importantly, in a series of key property titles in the case of Op Hydrogen.

In Q3 Barley produced five press releases, another quote to support third party press releases resulted in **583 pieces of coverage**. **99%** of coverage had at least one key message and **88%** included an NTS quote. **97%** of the coverage included a call to action.

We worked with WhatsApp to launch 'STOP. THINK. CALL.' campaign, which was designed to tackle scam calls. We secured **86 pieces of coverage** from *BBC News*, *ITV News*, *Sky News*, *Daily Mail*, *The Sun*, *Daily Mirror* and others. Louise Baxter was lead spokesperson number of interviews with broadcasters.

NTS led warning for consumers about fake online reviews and provided advice on what to watch out for. We secured coverage across broadcast outlets, including *CHS*, *BBC News* and *Times Radio*, as well as two pieces of print coverage on *The Mirror*. We also pitched the story successfully to the Press Association, leading to **131 pieces of coverage** in total. Mike Andrews was interviewed.

We provided Citizens Advice with a supporting quote for the National Consumer Week. **166 pieces of coverage** led with our quote – including *The Times* (page 2), *Mail Online*, *Daily Mirror*, *Daily Express* and *The Evening Standard*.

We worked with the Fundraising Regulator to warn consumers about online charity fraud ahead of Christmas. A quote from the eCrime team. This was covered by *Daily Express*.

Alison Farrar appeared on *BBC Radio 4* to discuss rental scams. *The Guardian* and *The Daily Mail* covered the dismissal of the appeal concerning Operation Eiffel.

In Q4 Barley produced six press releases and provided a number of quotes; resulting in **127 pieces of coverage**. **9%** of coverage had at least one key message and **83%** of the coverage included an NTS quote. **50%** of the coverage included a call to action.

NTS eLAT – we announced Part A of the material information project – securing **59 pieces of coverage** across national, regional and trade media. This included two print pieces in *The Times Bricks & Mortar*, a piece on *The Times Online*, and coverage from *The Mail Online*, *Daily Express*, *The Independent*, *Property Industry Eye*, *Estate Agent Today* and *The Negotiator*.

NTS Scams Team – following our ongoing liaison with ITV News journalist Hannah Kings, Louise Baxter, Head of the NTS Scams Team, appeared on *ITV Evening News* to advise consumers on how to protect themselves against mass marketing scams.

NTS eCrime – we worked with PA's Fashion & Beauty Editor on a piece about Instagram scams – providing expert advice from the eCrime team. This generated **22 pieces of regional coverage** including from the *Manchester Evening News* and *Liverpool Echo*.

Operation CeCe – *Sky News* ran our press release detailing the first-year success of NTS' work with HMRC to tackle the illegal tobacco trade, despite a busy news agenda. A further **24 articles** reporting on the success of NTS' work on Operation CeCe were published in national, regional and trade media across Q4.

Operation Catalina – we attended court on the day of sentencing to provide media support. *The Daily Mirror* and a number of regional outlets covered NTS' involvement in the case following our media liaison.

Operation Broadwater – we secured national coverage in the *Daily Mirror* as well as trade coverage from *The Negotiator*.

Operation Sail - Bristol Live, Bristol World and Greatest Hits Radio Bristol covered the successful outcome of the case, running with our press release.

NATIONAL TRADING STANDARDS
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Chapter 3 - Feed Delivery Programme

3.1 Background

NTS receives funding from the FSA to support a programme of work to ensure the integrity of the animal feed chain and protect food safety and UK meat exports. This is delivered via the nine regions in England who work with all local authorities to deliver the controls.

3.2 Delivery

We have delivered 4,483 activities in the year. In 2021/22 the programme delivered 96% of the agreed activity. There was an underspend of £96,000 for activities that local authorities were unable to deliver. The overall delivery picture is good, but regions report that factors outside the control of local authorities have made planning and predicting what could or could not be delivered very difficult this year. COVID restrictions, and the necessary prioritisation of COVID related work in local authorities, alongside the impact of a long Avian Influenza season, have again had some impact on the programme. All these issues have placed delivery under stress and there is little flexibility in the system to ensure continued delivery. NTS has logged this in its corporate risk register.

3.3 Improving feed delivery

The FSA commission improvement projects each year which aim to refine or improve the delivery system or they may prepare for delivery of a new activity.

Project – Post EU exit implementation transition year project

NTS collated information, developed guidance and created a funding model to allow the implementation of EU checks on imported feed and feed materials from 1st October 2022. We have:

- Identified all points of entry receiving EU imports feed in England.
- Updated and consolidated all existing points of entry guidance.
- Provided training and advice for new ports supported by NAFPP.

- Developed new reporting system to gather data on EU import numbers.
- Provided a support officer to assist all ports with changes and in developing new approaches locally.
- Posed legal queries and sought resolution from FSA.
- Developed a new funding model, and allocation methodology, to fund both additional EU import checks from 1st October and new FSA focus on sampling from 22/23.
- Developed guidance for points of entry to ensure prioritisation of that funding is consistently applied.
- Undertaken work to better understand volumes of imports at ROROs and how existing systems work to assist the implementation of checks at these ports in year 2 of the project.

The project continues in 22/23 and will produce:

- Guidance on enforcement of imported feed inland.
- Development of an NCIP (inspection guidance and noncompliance data gathering) for feed importers.
- Work to consider a methodology for implementing checks on feed imported through roll on roll off ferries and trains.
- Continue to assist new ports as they develop their import checks and provide support for the first six months.

The project will need to be flexible in order to react to Government announcements about the delays on the implementation of these checks.

3.4 Technical policy support

NTS provides secretariat support to the National Agricultural Panel (NAP) and National Animal Feed at Ports Panel. (NAFPP).

The Panels published the following guidance:

NAP has worked with Defra and the FSA to confirm that feed authorities are the competent authority for authorising export certificates for High Risk Feed of Non Animal Origin. A [NAP briefing was published and](#) a short training course provided. [Presentations are available online.](#)

[NAP has published guidance on assessing internet-based feed sales and websites.](#)

It covers identifying web-based feed sales and businesses and legal requirements when selling feed online.

[NAP has published guidance on nutritional and medicinal claims relating to animal feed](#), which includes an overview of legal requirements and guidance on claims that can be substantiated, and common claims made about animal feed.

[NAFPP have published guidance aimed at local authorities with ports that have a role in imported feed as a result of EU Exit.](#)

NAP and the NAHWP have worked together to publish [guidance on using APHA data about TB breakdowns to help prioritise feed hygiene visits.](#)

The [MoU with APHA and the VMD](#), was updated. Details of planned VMD inspections for the year were circulated to feed authorities.

The [summary document of technical queries discussed by NAP](#) continues to be updated. It now covers almost 30 issues ranging from raw pet food, labelling, claims, dog ice cream to CBD in pet food.

NAP secretariat and chair coordinated technical support for local authorities responding to major feed incidents: Salmonella in feeder mice and Cat Pancytopenia. NAP discussed lessons learned and these have been shared with the FSA.

NAFPP have presented information to Defra to ensure local authorities/port health authorities that require powers for organic controls are able to have them.

The following consultations have been responded to:-

- [FSA 5 year post implementation review of animal feed legislation.](#)
- [FSA consultation on guidance for food hygiene work at a primary production level.](#)
- FSA consultation on draft guidance for local authorities working with primary producers.
- National Enforcement Priorities for feed and primary production.

Feed Delivery Data

| All England | Committed activity for 2021/22 | Delivery | | | | | Percentage delivered against (percentage target) | | | | | 2021/22 total (target = 100%) |
|--|--------------------------------|--------------|--------------|---------------------|--------------|-------------------------|--|--------------|--------------|--------------|-----|-------------------------------|
| | | Apr-Jun 2021 | Jul-Sep 2021 | Oct-Dec 2021 | Jan-Mar 2022 | Total delivered 2021/22 | Apr-Jun 2021 | Jul-Sep 2021 | Oct-Dec 2021 | Jan-Mar 2022 | | |
| Inland feed inspections | 2612 | 148 | 480 | 712 | 1,263 | 2,603 | 6 (11) | 18 (21) | 27 (30) | 48 (38) | 100 | |
| Primary Production premises inspections | 884 | 93 | 173 | 196 | 459 | 921 | 11 (21) | 20 (22) | 22 (22) | 52 (35) | 104 | |
| High Risk Food | 78 | 15 | 25 | 8 | 27 | 75 | 19 N/A | 32 N/A | 10 N/A | 35 N/A | 96 | |
| Inland samples taken* | 30 | 30 | 0 | 2 | 2 | 34 | 100 (7) | 0 (17) | 7 (44) | 7 (32) | 113 | |
| Total ports activity (3rd country imports) | 508 | 224 | 165 | 223 | 238 | 850 | 44 (25) | 32 (25) | 44 (25) | 47 (25) | 167 | |
| Ports sampling and analysis | - | 20 | 8 | 7 | 26 | 61 | N/A | N/A | N/A | N/A | | |
| Overall delivery ⁶ | 4112 | 510 | 843 | 1,141 | 1,989 | 4,483 | 12 (15) | 21 (21) | 28 (26) | 48 (38) | 109 | |
| Overall delivery budget | £1,320,282 | £168,866 | £254,686 | £326,992 | £572,299 | £1,322,843 | 13 (15) | 19 (22) | 25 (28) | 43 (35) | 100 | |
| Improving compliance funding ⁷ | £89,513 | £7,213 | £13,355 | £40,770 | £25,393 | £86,730 | 8 | 15 | 46 | 28 | 97 | |
| Projects funding (total) | £18,330 | £16,330 | £2,000 | | £1,100 | £13,152 | 89 | 11 | 0 | 6 | 106 | |
| Total budget inc. RC fees | £1,657,625 | | | Total inc. RC fees | | £1,652,225 | | | | | | |
| Accrued budget (as of March 2021) | £1,652,395 | | | % of accrued budget | | 100% | | | | | | |

* **inc. NCIP premium, paid via FUF tab as of Q3.

Table 2 – Feed Delivery Performance data

⁶ The total does not include samples at port. The numbers of samples at ports were not allocated in April 21, only the delivery budget.

⁷ Including budget for 21-22 national inspection priority (NCIP) premium.

Chapter 4 – Intelligence

4.1 Background

One of the key objectives for NTS has been to develop intelligence-led working. The foundation for this is the use of the Intelligence Operating Model. This helps Trading Standards Services, regional Trading Standards groups and NTS Teams to adopt an intelligence-led problem-solving approach to consumer and business protection work and intelligence-led activities. This work is overseen by the Intelligence Governance Group. There is also an NTS Intelligence Network that includes the NTS Intelligence Team, regional intelligence analysts and regional intelligence support officers.

4.2 NTS Interim Strategic Assessment and Control Strategy

The Board approved the assessment in September 2021. It uses data drawn from 1st April 2020 to 31st March 2021. It was used to assist the NTS' business planning process and make recommendations on how to tackle national problems and develop policies. This was an interim assessment and did not contain detailed horizon scanning. A full NTS strategic assessment will be produced next year in accordance with the newly agreed two yearly processes.

The assessment was used to develop the NTS national control strategy for 22/23. The NTS' key priority areas for 22/23 will be doorstep crime and cold calling, mass marketing scams, lettings, energy related fraud, intellectual property, other fair trading issues, used cars, tobacco products and estate agents work. The cross cutting themes and enablers that impact on each key priority area are eCrime and the use of social media/online platforms, serious and organised crime and frauds, and scams leading from the Coronavirus pandemic.

4.3 SOC System Tasking

The NTS Board agreed that Serious and Organised Crime (SOC) System Tasking should be done by all regional and national intelligence functions to help identify and prioritise the greatest consumer threats and demands. The Home Office provided funding for a small number of regional/national Trading Standards licences from

14/06/21 to input and moderate assessments. SOC System Tasking will be done for every new referral to regional and national tasking groups and for all organised crime groups. A SOC 'master list' can then be produced for regional and national tasking groups and there is a process to request external support from the Federated Tasking Team to broker national capacity and capabilities.

4.4 Police National Database

NTS finally onboarded to the Police National Database (PND) in November 2021. This enables the NTS Intelligence Team to do PND searches on behalf of Trading Standards Services and NTS Teams. It also provides direct access to organised crime group (OCG) mapping and PND flagging. NTS is the first non-police agency to onboard to PND. Two pilot PND projects were run to test the documents and processes. Online training and documents will be shared with Trading Standards staff and managers early in 2022/23 before going live with this service. The Home Office is very interested in any outcomes from this access and Trading Standards are asked to provide feedback on the PND request and response form.

4.5 Intelligence Operating Model (IOM)

The IOM Operating Procedures were revised and updated in July 2021. It now includes information on OCG mapping, national flagging and SOC System Tasking. The NTG Protocol has been updated to reflect these changes. An updated IOM eLearning course was published in January 2022. All the videos, scripts and questions have been revised. NTS hopes this intelligence training will be useful. All managers and staff have been encouraged to complete the updated eLearning, in addition to the original course that was launched in February 2018. There are five modules which take up to an hour each to complete. Delegates can download a five hour CPPD certificate on completion of the course and the knowledge checks.

4.6 NTS Intelligence Team Review

The Board commissioned an external review of the NTS Intelligence Team. The review covered the Teams' analytical and intelligence work, the wider intelligence network, and funding issues. Key findings and recommendations were presented to the Board in December 2021. There were many positive findings alongside some

areas where some improvements and/or efficiencies could be made. The Board approved all of the non-budget recommendations in the report. The Board also considered further refinements of priorities for the Team to take into account existing budget pressures plus the real terms impact of any three-year cash standstill budget. An action plan has been produced to progress the review recommendations.

4.7 NTS Intelligence Team's work

The NTS Intelligence Team provides a national intelligence function across all NTS areas of work. On an ongoing basis the Team provides the following:

- The analytical resource and production of reports for NTG.
- Intelligence support for the NTS Intelligence Network and NTS Teams.
- OCG mapping and national flagging.
- Monthly intelligence reports for the NTS Scams Team.
- Attendance at various Consumer Protection Partnership/Citizens Advice meetings and liaison with various national law enforcement and other agencies.

In 21-22 the Team:

- Produced weekly Covid-19 updates.
- Participated in operational projects Etherin and Otello, led by the NCA (National Crime Agency), NECC (National Economic Crime Centre) and the City of London Police.
- Produced short reports on green energy companies and approved trader schemes, produced profiles on doorstep crime and Operation Dardap (call centre scams).
- Undertook communication data analysis to assist a local authority doorstep crime investigation.

Intelligence Data

| Intelligence Data 2021-22 | April – June 2021 | July – Sept 2021 | Oct – Dec 2021 | Jan – Mar 2022 | Total 21/22 |
|---|---|---|--|--|--------------------------|
| Intel logs recorded on IDB | 9481 (12456 - 2020) | 9850 (10620 - 2020) | 10287 (9589 - 2020) | 10146 (10740 - 2021) | 39764 (43405 - 20/21) |
| % change from last year | -23% | -7% | +7% | -5.5% | -8.3% |
| Intelligence logs recorded against priority areas | 70% | 70% | 66% | 56% | 66% |
| Doorstep Crime | 1886 | 1903 | 1724 | 1641 | 7154 |
| Fair trading | 1835 | 2109 | 2260 | 1450 | 7654 |
| Scams | 878 | 846 | 567 | 588 | 2879 |
| Intellectual property crime | 466 | 553 | 724 | 466 | 2209 |
| eCrime | 1631 | 1497 | 1518 | 1520 | 6166 |
| Citizens Advice complaints | 93249 | 90090 | 83439 | 83432 | 350210 |
| Fair Trading and Scams | 78999 | 79000 | 77170 | 74433 | 309602 |
| Doorstep Crime and Cold Calling | 10480 | 10867 | 9952 | 9319 | 40618 |
| Intellectual Property Crime | 666 | 543 | 574 | 614 | 2397 |
| GAIN ⁸ national referrals received | 3 | 2 | 3 | 1 | 9 |
| GAIN national referrals submitted | 2 | 5 | 0 | 0 | 7 |
| Organised Crime Groups (active) | 33 Total 1 NTSEALT, 5 NTSeCT, 11 RITs, 16 LAs | 37 Total 5 NTSeCT, 1 NTSIT, 12 RITs, 19 LAs | 39 Total 3 NTSeCT, 2 NTSIT, 14 RITs, 20 LAs | 36 Total 5 NTSeCT, 2 NTSIT, 11 RITs, 18 LAs | |
| National Flagging | 150 Total 18 NTSeCT, 35 RITs, 11 NTSIT, 86 LAs | 157 Total 18 NTSeCT, 11 NTSIT, 38 RITs, 90 LAs | 163 Total 18 NTSeCT, 3 NTSIT, 43 RITs, 99 LAs | 142 Total 11 NTSeCT, 3 NTSIT, 43 RITs, 85 LAs | |
| Sanctions Information Database (SiD) | April – June 2021 | July – Sept 2021 | Oct – Dec 2021 | Jan – Mar 2022 | Total on 31/3/22 |
| Active users | 2179 | 2158 | 2163 | 2180 | 2180 |
| Sanctions added since 01/04/2014 | 51 | 94 | -120 | 75 | 6464 |
| Actions against legal entities | 686 | 186 | 167 | 320 | 21816 |
| NTS Intelligence Team Work | April – June 2021 | July – Sept 2021 | Oct – Dec 2021 | Jan – Mar 2022 | Total 21/22 |
| Referrals for NTG | 3 | 17 | 7 | 43 | 70 |

⁸ Government Agency Intelligence Network

| | | | | | |
|----------------------------------|---|---|-------------------------------|---|---|
| Products produced for NTG | | | | | |
| National tactical assessments | 1 | | National tactical assessments | 1 | |
| Briefing documents | 2 | | | | 2 |
| Short reports | | 3 | 1 | 5 | 9 |
| Problem profiles | | 2 | | | 2 |
| Business profile | | 1 | 1 | 2 | 4 |
| Subject profiles | 1 | | | 6 | 7 |

Table 3 – Intelligence Data

Chapter 5 - National and Pro-Active Tasking

5.1 Overview

The National Tasking Group (NTG) is comprised of three NTS Board members and three regional representatives. Other partners participate in the group with non-voting status. NTG meets every eight weeks to task work, subject to available resources and in line with agreed NTS' priorities. The Group will mainly task referrals that relate to: complex cases; cross-boundary activities; multiple defendants; high levels of detriment; and/or significant breaches of Trading Standards' legislation or extensive fraud.

5.2 NTG Tasking and Decisions

NTG met six times in 2021-22. It reviewed and considered 54 referral requests (including re-submitted deferred and fast track requests). Of these 51 were agreed.

NTG approved funding of £4,087,442 of which the actual spend was £3,450,023. The underspends were used to offset the initial "over-allocation" of the NTS' budget and then provide additional funds to front line work in other areas.

The Covid-19 situation continued to cause delayed trials. Costs for large scale cases are increasing annually and also cases are taking longer to get to Court. In addition we anticipate the effects of adjournments due to the impact of the appeal case outlined in Chapter 2 will mean that there will be very limited, if any, available budget for new tasking in 2022/23 or 2023/24.

NTG progressed its programme of tasking and supporting investigations/project work linked to NTS' priority areas including eCrime, Doorstep Crime, Energy Fraud, Fulfilment Houses, Supply Chains in Markets, Used Cars, Call Centres and other Fair Trading issues.

There has continued to be some cross-over between priorities, mostly in relation to energy fraud, where there is a large element of doorstep related crime.

Separate chapters are provided on key priority areas of work (energy fraud, supply chains in markets, call centres, used cars and doorstep crime) that have been funded by NTG where activities have been undertaken by the various NTS Teams.

5.3 Regional Projects

NTG awarded funding over two years for 12 new projects:

- **Operation Cabal** Illegal Dog Breeding Intelligence and OCG Scoping (TSW)
- **Operation Mirage** Virtual Offices (LTS)
- **Real Deal Online** (NTS eCrime Team)
- **Portal Project** (NTS eCrime Team)
- **Student Scams** (TSSW)
- **Proactive Victim ID and Engagement Banking** (NTS Scams Team)
- **Self-storage Phase 2** (LTS)
- **Operation Nutmeg** Used Cars MCATS (TSEM)
- **Operation Jumpstart** Used Cars MCATs (EETSA)
- **Operation Neon** Used Cars MOT Stations (YAHTSG)
- **DSC Doorbells** (TSSE)
- **Operation Cuba** DSC Leaflet Printing (TSEM)

End of year reports will be provided to NTG as and when projects reach completion.

5.4 Case Outcomes

Operation Haggard: NTG supported Northamptonshire Trading Standards on this fraudulent flight delay compensation company. A total of 531 complaints were received. The Directors were sentenced to 22 and 18 months imprisonment, suspended for two years. The judge ruled they pay £250,000 to compensate victims. The company director Martin Ryan was also disqualified from being a director for five years and was made the subject of a five-year criminal behaviour order. His son Joseph Ryan was also disqualified as a director for three years, and received a three-year criminal behaviour order. The judge praised the Trading Standards team for their handling of the case, which helped secure a robust resolution and compensation for the victims, while avoiding the need for a costly trial running into millions of pounds.

Operation Fusetar (Residential Park Homes): NTG approved the referral of the ongoing Operation Fusetar to the new Serious and Organised Crime (SOC) Federated Tasking Team (FTT) to seek the assistance of other, more appropriate, agencies to deal with the identified OCGs and their criminality. This operation concerns an Essex-based company that initially came to the attention of NTS following reports of fraudulent business practices throughout several residential park

sites in the UK. It is alleged that the company repeatedly breached planning laws and dozens of elderly victims are having both their homes and savings put at risk. A refreshed problem profile produced by the NTS Intelligence Team provided a clearer overall picture of the problem across England and Wales. It identified that key nominals were participating in other criminality, including two OCGs involved in the supply of drugs and the use of firearms and extreme violence. DLUHC is being kept informed of progress via its representation on and participation in the NTS Estate and Letting Agency Governance Group.

Operation Edifice (New Homes Fraud): NTG approved the referral of Operation Edifice to the SOC Federated Tasking Team (FTT) to seek the assistance of other agencies. The TSNW region produced a problem profile and engaged with the local partners earlier in the year, but no-one had capacity at that time to take on the work. A more up to date intelligence picture is now needed and TSNW is trying to develop this.

Operation Semaphore – Mis-selling of Leasehold Properties: The NTS Intelligence Team produced a problem profile on the mis-selling of leasehold by property developers in June 2020. The CMA were simultaneously conducting an investigation into the mis-selling of leaseholds. CMA is leading on the investigation with support from TSSW and several other authorities across England, including Derbyshire, Coventry, Cheshire and Birmingham. The CMA is now engaged with relevant property developers to seek to resolve the concerns raised by residents. Undertakings from several leading developers have been obtained which will mean thousands of leaseholders will now see their ground rents remain at the original amount, i.e. when the property was first sold and they will not increase over time.

5.5 Reviews

Covid-19 restrictions meant that NTG was unable to conduct either its National Intelligence and Tasking Conference or its programme of case and project reviews. Programme Office Lead Officers continued to have regular contact with case/project leads and produced regular updates for NTG as well as the quarterly Tasking Activity Reports which allow NTG to maintain its monitoring and oversight functions and be sighted on any problems as well as progress.

A new programme of case and project reviews has been scheduled for 2022/23 and will be discussed by NTG at its May 2022 meeting.

Chapter 6 – Used Cars

6.1 Background

Used Cars is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across NTS and work funded by NTG.

6.2 Investigations

Two NTS funded investigations are awaiting trial.

NETSA received funding to commission a legal opinion on the legality of provision of complaint handling services in the used car sector i.e. where a company deals directly with consumers on a car trader's behalf after a consumer has complained and tried to assert their statutory rights. The legal opinion has been shared and is available to all local authorities on the ACTSO website.

6.3 Closed Cases

Operation Proctor

Result: 2 defendants – 2 suspended sentences (total 30 months); a 4-month electronic curfew; a victim surcharge; 200 hours unpaid work, and 15 Rehabilitation Activity Requirement Days; and ordered to pay £10,300 towards prosecution costs.

This was a case led by Kensington and Chelsea Trading Standards with RIT support. It had links to an OCG with complaints as far back as 2008 and convictions in 2015 under Operation Pioneer, another RIT supported investigation. Altogether 44 clocked cars were found with an average price of £5,200. Four were clocked by a total of 198,000 miles and advertised at approximately £5,000 each. It is likely that many more cars have been advertised and clocked since September 2015. Warrants executed in February 2018, resulted in a large cash seizure.

A trader, who uses an alias, and his associates were identified. Two individuals placed Auto Trader adverts using an address in Enfield. These defendants were arraigned to Southwark Crown Court in July 2019 and pleaded not guilty. Trial delays and Covid followed, and it was not until November 2021 that both defendants elected

to plead guilty and sentencing was adjourned. On 17th March 2022 sentencing were handed down:

- Janusz Borewicz: 10 months' imprisonment suspended for 21 months and a 4 months' electronically monitored curfew between the hours of 9pm and 6am, no order as to costs and a victim surcharge in a sum to be notified.
- Krystian Borewicz: 20 months' imprisonment suspended for 21 months, 200 hours of unpaid work, 15 days Rehabilitation Activity Requirement and £10,300 prosecution costs.

Operation Teal - Nottinghamshire Trading Standards undertook a joint audit with DVSA in June 2021, following a long closure due to Covid restrictions, and found the business compliant. This investigation has been closed.

6.4 Disruption projects

Two disruption projects that commenced in 20/21 were completed.

YAHTS Operation Krypton

Phase one developed a risk assessment methodology for the region's most complained about used car traders. This risk assessment included complaints analysis, scoring for selling methodology, IDB intel and local intelligence (e.g. information via the GAIN network).

In phase two the region undertook audit and enforcement of the top nine identified traders, all in liaison with the police and/or DVSA due to the level of criminality. The project has shown the advantage of dealing with the serious and organised crime connections to used car sales and has strengthened multi-agency work in the region.

It was estimated that the work prevented £230,182 of consumer detriment and caused significant disruption in the worst offending element of the trade.

LTS Operation Regal

LTS undertook a project focused on traders, which regional intelligence had indicated, used misleading business practices, including the use of counterfeit car stamps and service books and the imposition of admin fees, to supply unsafe and substandard used vehicles.

It is estimated that this work prevented £882,370 of consumer detriment. Compliance advice was given to 287 used car businesses across 17 London Boroughs. Audits were carried out into 61 businesses and 27% of examined vehicles were found to be unsafe and removed from sale, 26% of traders where audit visits were conducted were identified as levying admin fees but will now cease this practice.

Project reports can be found on the ACTSO website.

Three further disruption projects to tackle detriment in the used car market are ongoing as follows:-

Operation Jumpstart (EETSA) – to tackle the region’s top 10 most complained about traders through a series of onsite audits to identify those selling unsafe and unroadworthy cars.

Operation Nutmeg (TSEM) – to repeat the successful TSSE project from 20/21, taking a focussed approach to a number of MCAT traders in the region. The aim of the project is to reduce complaints and detriment for the identified traders.

Operation NEON (YAHTSG) – to tackle MOT stations that provide false/incorrect MOTs to vehicles being sold by unscrupulous car dealers. The project will further develop relevant intelligence from Operation Krypton, formalise a consistent approach to issuing advice to the trade with relevant partners, and undertake joint enforcement visits with DVSA to those identified as high risk.

6.4 Used Car Group

The Used car group met in June with all English regions, Wales and Scotland represented. The group discussed several potential points of disruption in the market, salvage auctions, MOT garages and other online traders.

Two members volunteered to input into an eCrime Team project to develop a toolkit to aid administrators of online second-hand car trading groups to ensure consumers have their rights protected when making purchases.

The NTS’ Programme Office have been asked to attend the [Vehicle Safe Trading Advisory Group](#) whose membership includes the UK’s main online car sales companies and regulators. This is proving a useful forum for information exchange and last quarter the Group, in principle, supported the toolkit, referred to above.

Chapter 7 – Energy Related Fraud

7.1 Background

Energy related fraud is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across all NTS Teams and work funded by NTG. Many of these cases have a large element of doorstep crime. However, to avoid duplicate reporting, if the doorstep crime relates to mis-selling of energy or energy related products, then it is reported in this chapter.

Fraud in this area falls roughly into three types: doorstep crime relating to installation and maintenance of renewable energy systems/products, mis-selling of energy supply, and large-scale defrauding of government 'green' grants.

7.2 Ongoing Investigations and Tasking

NTG continued to support five energy cases in 21/22. All five are awaiting trial.

NTS has worked successfully with the Clean Heat Directorate of BEIS to secure the funding for one further investigation into a company mis-selling domestic renewable energy systems and the misuse of government consumer grants. The operation will receive a grant totalling £2.4 million over 4 years.

The NTS Intelligence Team has completed a refresh of the most complained about energy related traders to identify the current top ten to enable ongoing discussions with partners and for new tasking, if additional funding becomes available. NTS has logged its concerns about the lack of funds for pursuing these cases and the widespread detriment they appear to be causing.

7.3 Policy

NTS continue to meet OFGEM officials to discuss how the two organisations might work better together to tackle fraud related to government grants. In addition, NTS has input into the government consultation on the closure of the Domestic renewable heat grant this year, and the Consumer and Markets Authority's work on 'green claims'.

Chapter 8 – Supply Chains in Markets

8.1 Background

The supply of large-scale counterfeit and illicit goods to markets is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area across all NTS Teams and work funded by NTG.

8.2 Operation Beorma

The CEnTSA Regional Investigation Team (RIT) leads this complex multi-agency operation targeting serious and organised criminals responsible for huge imports of counterfeit goods into the UK and sales at both on-line and physical market places. It has led to over 70 direct enforcement actions, the identification of previously unknown Organised Crime Groups (OCGs) and the recovery of several million pounds worth of counterfeit goods.

In August, a Birmingham man, who owned a clothing manufacturing business in Birmingham, was sentenced to 4 years' imprisonment after pleading guilty to 26 offences for manufacturing and selling fake designer clothes. The Team had seized fake designer clothing with a street value of approximately £500,000, as well as approximately 40,000 counterfeit branded clothing labels following raids on the trader's factory and home address in August 2019.

In November, the Team supported by Birmingham Trading Standards, the Illegal Money Lending Team and partners from the Anti-Counterfeiting Group, exercised warrants on six large-scale counterfeit clothing factories in Leicester and Coventry and associated vehicles. Two of the nominals had been under suspicion for a number of years. They had used aliases to avoid detection.

As a result of the enforcement actions, it is estimated that £1.5 million worth of counterfeit goods were seized. Additionally, over £400,000 in cash was discovered on the premises and seized, as was a Mercedes van containing counterfeit merchandise and branded labels. As an outcome of information received from the raids, in December a further vehicle was stopped and searched and was found to contain over 60 large boxes of counterfeit clothing valued at approximately £100,000.

These enforcement activities have had a huge impact on the counterfeiting community as they have significantly disrupted the route to market for these goods. The traders identified are suspected to be very significant suppliers to those operating from a number of markets across the UK.

8.3 Operation Magpie

Operation Magpie is a multi-agency enforcement and disruption project targeting counterfeiting activity in the Strangeways area of Manchester. Greater Manchester Police, Manchester Trading Standards, Intellectual Property Office, City of London Police (PIPCU), Border Force and HMRC are all involved in the project.

The NTS Intelligence Team completed a problem profile on counterfeiting in the Manchester region in 2020. It confirmed that *'Cheetham Hill should be regarded as the most significant production and distribution hub of counterfeit goods within the United Kingdom'* and recommended that to have an impact in the area the most significant enablers need to be targeted. In response, NTG agreed to support Manchester Trading Standards to carry out enforcement activities during 2021/22 in collaboration with other Operation Magpie partners to undertake a range of targeted activities to address the problem.

Closure Orders: Four closure orders were used on large premises on the main route through the Strangeways area. This sends out a strong signal to both traders and visiting customers. The landlords of two of the premises were questioned as to how they intended to ensure future tenants will not revert to criminal activity. Both agreed to add clauses in their tenancy agreements to reduce possible re-offending i.e. keeping roller-shutters up throughout trading hours and monitoring their premises more frequently. They have been made aware that further closure orders will be sought if the problems continue. These premises are being monitored on a regular basis to ensure that they have not reverted to selling counterfeit goods.

Evidence secured during the exercise of warrants is being used in the evidence bundles for the closure orders.

Self-Store Premises: The IPO's intelligence gathering initiative, Operation Flash, provided sufficient intelligence to complete eight days of planned enforcement activity. The enforcement days have resulted in significant amounts of counterfeit product being seized and provided a huge amount of intelligence for future enforcement work beyond the Manchester region.

Investigating the Identified Organised Crime Group: Data from phones and laptops seized during enforcement raids in September have been analysed and compared with other items seized by the North West PIPCU. The IPO has now produced a link analysis of the OCG and have agreed to provide assistance in analysing the digital evidence. Investigation into the OCG is a long-term commitment.

Communications Strategy:

A longer-term communications strategy is being developed to reduce the footfall in the Strangeways area by educating potential purchasers. Recommendations from the IPO's research into the views and attitude of purchasers of counterfeit goods will be used to formulate the strategy.

8.4 Self-Storage Project

Self-storage units have been identified as being increasingly involved in facilitating criminal activity related to Trading Standards issues, as recognised by the original Operation Beorma report. Most intelligence reports concerning self-storage units are related to Intellectual Property, predominantly clothing, alcohol and electrical goods.

The IPO has a five-year enforcement strategy to tackle IP Crime. Self-storage facilities have been identified as a major enabler in relation to counterfeiting and is one of the IPO's enforcement priorities. The IPO and NTS have allocated funding to assist in tackling the problem.

The 'Tick Box' Code of Practice = Keep it Real. Keep it Legal: This is being led by London Trading Standards. Phase 1 of the project resulted in over 50 self-storage businesses, comprising over 400 physical premises and approximately 1,300 staff, signing up to the 'Tick Box. Keep it Real. Keep it Legal' code of practice. The code aims to increase industry diligence and customer awareness of counterfeit and illicit goods and increase engagement with law enforcement. Further information about the scheme can be found at: <https://tick-box.org.uk/>. Phase 2 of the project is supported by the Self-Storage Association UK and work will continue to March 2023.

In November, to initiate phase 2, virtual training events were organised to raise awareness of the problems associated with the industry, and how the project intends to tackle the compliance issues as well as identifying ways authorities can get involved in the project in their locality. All regions were invited to attend.

Participating authorities will be provided with a list of self-storage businesses in their area and will be required to complete their physical audits by 31/03/2023. The sign-up process involves a physical inspection and completion of an audit checklist which will be provided (this covers due diligence procedures such as “know your customer” and payment processes). The aim is to improve industry compliance and increase engagement with local Trading Standards teams. Signed-up businesses are provided with marketing and staff training material and are added to the Tick-Box website. Visits will also be made to those already signed up to check their compliance to the code and to establish communication channels for future engagement.

Enforcement Activities: NTS has funded intelligence led enforcement at self-storage facilities in London, the West Midlands, Greater Manchester and South Wales. The IPO offered intelligence enhancement and analysis for participating authorities and the National Markets Group offered operational support in terms of brand representative attendance, transportation and storage of seized goods. These operations were all completed by March 2022. The enforcement raids resulted in over 35,000 items being seized having a street value of £3,255,000.

Operation Flash: This is a national intelligence request led by the IPO, the National Markets Group (NMG) and NTS. It is being used to identify self-storage facilities and hot-spot geographical areas linked to intellectual property crime. Relevant local Trading Standards teams will be sent an intelligence profile and offered support to undertake the appropriate enforcement action. The analysis of Operation Flash was completed in February 2022 and the relevant local authorities will be contacted in due course.

Chapter 9 – Doorstep Crime

9.1 Background

Doorstep Crime is a key priority identified by NTS in its National Control Strategy. This chapter covers all work done in this area. This includes work carried out by the Programme Office, Regional Investigation Teams, the eCrime Team and other work funded by NTG. The NTS Board established and supports a national NTS Doorstep Crime Working Group. The group includes experts from all Regional Trading Standards Groups, CTSI, Trading Standards Scotland and the NTS Teams.

Many cases overlap with energy frauds. However, to avoid duplicate reporting, if the doorstep crime relates to mis-selling of energy or energy related products, then it is reported in the previous chapter. It is noted that several of the large-scale energy fraud cases have a significant element of doorstep crime within them.

9.2 Doorstep Crime Working Group

NTS established and supports a national NTS Doorstep Crime Working Group. The Group includes experts from all Regional Groups, Trading Standards Scotland, Trading Standards Northern Ireland, the NTS Teams and CTSI. They met in April and October 2021. They discuss a wide range of doorstep crime prevention work, intelligence development and enforcement activities, and share good practice.

9.3 Doorstep Crime intelligence and project work

Doorstep Crime Problem Profile: In May, NTG considered the doorstep crime problem profile produced by the NTS Intelligence Team. It has been shared with all Trading Standards Services, Regional Groups and NTS Teams.

Doorstep Crime Online Resources: The updated online NTS Doorstep Crime Toolkit was published in June 2021. NTS funded the development work and agreed that two updates will be provided each year. The first update was released in November 2021 and the second update was issued in March 2022. The Toolkit had 1,063 people signed up to use this resource at 31st March 2022. This gives an

indication of the value and information it provides. The Toolkit is fully accessible by phone and free for Trading Standards officers to use.

Doorstep Crime campaign: During the pandemic, rogue traders adapted their techniques as door-to-door visits became increasingly difficult, with many approaching people online through trader websites or on social media. The Friends Against Scams Team (part of the NTS Scams Team) have created materials for a Doorstep Crime campaign due to launch in early April. The materials will help local authorities to spread awareness of these tactics and include a Doorstep Crime leaflet, three posters and a social media pack with accompanying images.

20/21 Regional Doorstep Crime Projects – Final Reports:

Although a legitimate form of advertising, leaflets and flyers can be used as an enabler of fraud by rogue traders to directly promote services on the doorstep. YAHTSG received NTS funding for a printer's project (Operation Mercury) in 2020/21 and 198 local printing businesses were contacted by letter and 102 responded to further contact. Nearly all businesses contacted welcomed the initiative, demonstrating some awareness of the doorstep crime and rogue trading issues. However, less than 15% claimed to have sufficient knowledge of their legal obligations and over 95% confirmed they would welcome guidance and compliance advice.

LTS and TSSE received NTS funding in 2020-21, to purchase and install 120 video doorbell cameras in vulnerable consumers' homes. A well-being report was produced in August 2021. It said that this intervention, "*both deters criminals and increases the confidence of the residents ... this simple intervention can reduce crime, increase well-being and potentially allow consumers more time to live independently for longer. It can be added to the armoury of local authority Trading Standards Departments along with call blockers, mail preference services, telephone preference services, mail redirection services etc. The cost benefit ratio of the project was 39:1 i.e. every £1 spent saves £39.*"

9.4 Completed Cases

Operation Teak (North East)

Result: 3 defendants: combined total - 8 years 1½ months custodial sentences

Value of offending over period: £325,000

Three mobile fish sellers ignored food safety procedures and used aggressive sales practices to pressure over 100 elderly victims into buying excessive quantities of poor quality fish at exorbitant prices. Some was unfit for human consumption.

Following guilty pleas at Teesside Crown Court in June 2021 they were sentenced as follows:

- Matthew Dudding, the principal financial beneficiary of the fraud, pleaded guilty to fraudulent trading, and was sentenced to 5 years, 11 months and 2 weeks.
- Paul Dudding and Daniel Whitley, both pleaded guilty to contravening professional diligence, contrary to consumer protection legislation, and were sentenced to 13 months each.
- All parties were given an indefinite Criminal Behaviour Order preventing them from cold calling in relation to any business either under their own auspices or on behalf of another.

Acceptance of guilty pleas involved the decision not to progress POCA Confiscation. Only the Duddings had assets (two properties) but these were compromised, having association with partners and court orders already placed on them for previous debts. Whitley had no assets at all. The investigation was led by the NTS North East RIT.

Operation Biwa (North East)

Result: 1 defendant – 1 custodial sentence: 8 months custodial and a 7-year Criminal Behaviour Order and Victim Surcharge. Value of offending: £920

Between February 2017 and April 2019, Hubble sold fish door-to-door through his business 'Dougie's Packs' which sparked a number of complaints. Only 10 victims were identified due to Hubble predominantly receiving cash payments and only working part time across this period. Hubble found customers through cold calling including sales made in "a row of bungalows", "a semi-retirement park", and "sheltered housing accommodation" where the majority of the residents were vulnerable due to their age, health and medical issues. He ignored designated No Cold Calling Zones and signs, knowingly adopted exploitative high-pressure sales techniques, and totally disregarded legal requirements and hygiene standards.

Following an investigation by the NTS North East RIT he pleaded guilty to an offence under the Consumer Protection from Unfair Trading Regulations 2008 and received an immediate custodial sentence of 8 months. He had a number of historic previous convictions, including for offences of dishonesty. A seven-year Criminal Behaviour Order was granted to stop him from selling door-to-door on behalf of himself or others

on his release. There was no compensation, as Hubble has no assets or means of payment.

Operation Garrison (Tri Region)

Result: Case is with Metropolitan Police and CPS

In this doorstep crime and money laundering case, LB Croydon and TRIT worked with the Metropolitan Police to investigate suspicious financial transactions. Victims' cheques were linked to a suspect account with five suspiciously large payments, amounting to £85,000. Matters were first reported to the police at the end of May 2020 when an elderly victim lost £24,000 for roofing work as a result of a cold call. Suspects have links to a traveller site in Surrey and at least one money launderer has been found in Essex.

TRIT and LB Croydon Trading Standards supported both the fraud and financial investigation, and the evidence and unused material has been given to the police. A police prosecution file has been submitted for the CPS to consider.

9.5 New and Ongoing Investigations

NTG has provided funding of £278,404 to support 10 doorstep crime investigations and regional projects. The investigations included fish seller investigations, Nottingham Knockers' who sell household products at the door, building and window repair frauds, and communications data analysis work to support a Yorkshire and Humber prosecution. The regional projects cover:

A TSSE doorbell project (£22,500 over two years) – to protect and target harden the victims of doorstep crime in the South East by providing them with internet connected video doorbells or similar equipment. This following the previous project work done by LTS and TSSE in 20/21.

A TSEM printer's project Operation Cuba (£11,545 over two years) – to use the YAHTSG Operation Mercury printer's project to look at East Midlands doorstep criminals' use of printers to make them appear legitimate.

Chapter 10 – Regional Investigations Work

10.1 Background

NTS commissions Regional Investigations Teams (RITs) from each region. There is a combined Team for London, East of England and the South East. The Teams are the primary resource for NTS in tackling serious cases and much of their work focusses on key NTS' priorities such as doorstep crime, supply chains in markets, energy related fraud and used cars. Where a case relates to a specific priority area the detail is reported in those chapters.

10.2 Overview

At the end of 21/22, the Teams had 107 open investigations: 71 are ongoing; 28 are awaiting a decision or at trial and three have intelligence being developed.

The Wales Team is leading the Operation Cabal Project encompassing seven illegal dog breeder investigations. The host local authority has engaged a software investigation company to identify high-volume advertisers of “puppies for sale” easier.

Notwithstanding the continuing challenges of Covid, lockdowns and court delays, the Teams' successful efforts led to many good outcomes which are detailed in table 6.

Key among these were:

- 30 defendants being convicted.
- 14 prison sentences: 45 years and 10 months.
- 9 suspended sentences: 11 years and 11 months.
- 7 company director bans: 29 years.
- 1 conviction following extradition.
- 1 rehabilitation order: 15 days.
- 1 curfew: 4 months.
- 7 community service penalties: 1,170 hours.

The Team closed 29 cases this year and the consumer and business detriment avoided through the Regional Investigations Teams' intervention was £4,128,804.

Three POCA hearings resulted in £729,095.92 in confiscation orders.

The types of cases taken on this year included: various doorstep crime/rogue trading cases (shoddy property services, plumbing and pest control); several counterfeiting

(linked to Operation Beorma) and other product safety cases; IP/Trade Marks Act/Electrical Equipment (Safety) Regulations' infringements; misleading claims for hand sanitizers and surface cleaning sprays; misleading claims and mis-selling of mobile furniture; driving instructor fraud; and unlicensed Dog Breeders (illegal puppy farming). Also a legal opinion into consumers rights on used cars was sought.

10.3 Closed case examples

Operation Surf

Result: 1 defendant - 5 years' custodial, a 10-year company directorship ban and an indefinite Criminal Behaviour Order

Financial Value of Complaints: £660,000

Between May 2016 and August 2021, Mark Buck, a self-employed builder took £660,000 from 60 known victims. The quality of work was generally poor and he left a trail of broken promises and destruction behind him, including a wall that collapsed in strong winds, kitchens paid for and never supplied, and holes where windows and doors should have been fitted. Money taken for engineers, architects and building inspectors was never handed over and went straight into his pocket. He entered a guilty plea to two counts of fraudulent trading and asked for a further count to be taken into consideration. He was sentenced to 5 years in prison, banned from being a company director for ten years, and given an indefinite Criminal Behaviour Order barring him from obtaining paid building, maintenance, and gardening work.

Operation Weaver

Result: 1 defendant - 6 months' imprisonment suspended for 12 months with 150 hours unpaid work, a 10 days Rehabilitation Activity Requirement, and a victim surcharge of £115. Value of offending: £500,000

Newport City Council investigated a linked group of eBay traders selling counterfeit t-shirts and the Investigation Team provided the financial investigation. One defendant was charged whilst charges against two others were dropped. In July 2021 at Newport Crown Court, Johanna Donnelly pleaded guilty to 21 offences (one fraudulent trading offence under the Companies Act and 20 offences of selling t-shirts in contravention of the Trade Marks Act 1994). She received concurrent sentences, totalling six months' imprisonment suspended for 12 months, 150 hours unpaid work, 10 days Rehabilitation Activity Requirement and a victim surcharge of £115.

Operation Gettling

*Result: 1 guilty plea - 3 years' imprisonment; a 6-year company directorship ban
Value of offending: £182,048*

This was a joint investigation between Thames Valley Police and the Regional Investigation Team on behalf of Slough Trading Standards into the activities of a Letting Agent. Offending had been reported as long ago as September 2013, with matters being reported to Slough Trading Standards in 2018. Complaint evidence was obtained from 31 tenants and landlords from whom the defendant defrauded a total of £182,047. Lee Clarke, the director of Berkshire Estate Agents Limited, knowingly collected deposits and rent and withheld them from landlords and tenants. He was also accused of making false representation, and adopted aggressive practices to secure advances in rental payments and failed to renew his membership to the required redress schemes. He pleaded guilty at Reading Crown Court in September to 17 charges of fraud and one of fraudulent trading. He was sentenced to three years' imprisonment and banned from being a director for six years.

When passing sentence Recorder Happold said: "You lied to get business and put pressure on people to agree to contracts. You were intimidatory and robbed Peter to pay Paul. You put your customers through significant and emotional financial distress through a prolonged and calculated course of conduct."

Operation Valiant

*Result: 1 defendant - 8 months' imprisonment, 1 written warning and 3 cautions
Financial value of complaints: £400,000*

Since 2017, the Regional Investigations Team supported Cambridgeshire Trading Standards with this complex investigation into the working practices of Jasdeep Randhawa and others providing emergency call out and other plumbing services. They took advantage of consumers in need of swift support and assistance who often found themselves in a vulnerable position. They grossly overcharged for unnecessary parts and labour and challenges to cost were met with threats and intimidation. At least three suspected limited companies and 15 associated entities using business names were involved. The individual detriment is hundreds rather than thousands of pounds but it was the aggressive nature of the boss on the telephone in all cases that was the common aggravating feature.

A rescheduled trial was listed for January 2022; however In December guilty pleas were entered for Consumer Protection from Unfair Trading Regulations 2008 offences. POCA enquiries confirmed no available assets of value. Randhawa was

sentenced to 8 months' imprisonment. The remaining defendants: James Boon, David Woodman and John Molloy all received cautions, and Hannah Cockayne is to be served a warning letter. No costs were awarded.

Operation Buzzard

Result: 1 defendant - 8 months' custodial sentence, 4 years' company director ban and victim surcharge £100. Value of offending: £500,000. POCA £1

An investigation into complaints for a Park & Ride service linked to Heathrow airport. Customers believed their cars would be stored in a secure pound whilst they were out of the country, but their cars were parked in local authority pay and display car parks. No tickets were purchased resulting in the local authority issuing penalty charge notices to the 101 registered keepers.

In July 2018, the suspect pleaded guilty to six offences under the Fraud Act 2006 and the Consumer Protection from Unfair Trading Regulations 2008 however sentencing was delayed pending POCA confiscation proceedings. In April, Muhammad Tahir Zaman was sentenced to 8 months' imprisonment, a 4-year company director ban, a victim surcharge of £100 and POCA of £1 (as defendant had been declared bankrupt) no costs or compensation as no assets were identified.

Operation Apple

Result: 2 defendants: total 3 years and 9 months suspended sentences. Value of offending: £77,500

Nine complaints were made against Prior Park Educational Trust, Bath in 2015 by foreign students who paid course fees (£4,500-£6,500) each for a place on a course, then discovered they had not secured a place. This was a fake entity that deliberately used a similar name to the local college (Prior Park College Educational Trust) in an attempt to mislead and defraud students. This crime also caused potential reputational detriment to the genuine college. At Bristol Crown Court in April 2021, Sanketkumar Patel pleaded guilty midway through trial to two counts of money laundering and was sentenced to 21 months' imprisonment suspended for 2 years. Chirag Patel had already entered a guilty plea to eight counts of money laundering totalling £47,653 at a hearing in January 2019 and was sentenced to 2 years' imprisonment suspended for 2 years, 120 hours community service, and £2,000 to CPS for costs and £100 victim surcharge.

Operation Fleming

Result: 4 defendants – Total 10 years and 8 months custodial and suspended sentences; 380 hours total unpaid work; and 3 Confiscation Orders totalling £75,099 (one POCA hearing outstanding). General criminal benefit as determined by the Court (POCA): £1,528,243.00

This investigation into illicit streaming of IPTV services, such as Sky Sports and BT Sports, was a joint operation led by Hampshire Trading Standards, supported by the Regional Investigations Team and the Federation Against Copyright Theft (FACT). The defendants sold their services and products online direct to consumers or allowed access to channels via illicit streaming sites on the web. The scale of offending was international.

In March 2022, at Southampton Crown Court, the defendants convicted for various money laundering and fraud offences. Sentences were handed down as follows:

- Michael James Simmons: 5 years 6 months' imprisonment on each to run concurrently. POCA proceedings have been instituted.
- Kieran Collins: 3 years' imprisonment on each to run concurrently. POCA benefit: £329,240 and ordered to pay £15,400.
- Amanda Collins: 18 months' imprisonment suspended for 2 years, and 200 hours unpaid work. POCA benefit: £80,000 and ordered to pay £59,698.
- Robert Kurian: 8 months' imprisonment suspended for 2 years, and 180 hours unpaid work. POCA benefit: £21,039 and ordered to pay a nominal £1.

Operation Broadwater

Result: 2 defendants – 4 years 6 months total custodial sentences. Value of the fraud as determined by the Court in sentencing: £540,000.00

The Region Investigations Team supported West Berkshire Trading Standards with this complex advance fee fraud that targeted often elderly and or vulnerable consumers in timeshare properties and contracts. The South West RIT investigated this previously; it was closed because the suspects left the country. Intelligence suggested they had returned to the UK.

Hundreds of UK timeshare and holiday club policyholders were repeatedly targeted by an organised crime group based in the UK and Spain. Posing as so-called 'resale firms': Simple Timeshare Sales and Marketing, Find Me Travel and UK Holiday Consultants, the criminals made attractive offers to purchase consumers' policies for advance fees of £1,000-£2,000 but after payment, the companies could not be reached. Policyholders were then contacted by an apparently unconnected

company that offered to sell back the policy and recover the advanced fees. Despite consumers paying thousands of pounds to these firms, the investigation found no evidence that any policies were actually sold. Money passed through several UK and overseas bank accounts before being withdrawn in cash. Unfortunately, the people who received the funds and committed the frauds were never located and their identities remain unknown. To maintain their anonymity the fraudsters secured the assistance of individuals who allowed their accounts to be used in return for a fee.

In March 2022, at Reading Crown Court, Anthony Lea of St Helens was sentenced to 3 years in prison and Ian Hollis of Mijas Costa, Spain was sentenced to 18 months in prison after pleading guilty to money laundering offences.

Operation Catalina

Result: 4 defendants – Custodial and suspended sentences (total 26 years); 2 company director bans (total 15 years); 380 hours of unpaid work. £620 victim surcharge. Value of the fraud as determined by the Court in sentencing: £842,750.00

The Region Investigations Team, Metropolitan Police and LB Camden carried out an investigation that affected consumers in several London boroughs, Medway, Kent and Surrey. Around 140 complaints were made about Contemporary Home Improvements Limited who offered high class home improvements to wealthy clients. After potential clients contacted the company, a surveyor provided a professional assessment of the work to be carried out. During negotiations customers were asked to provide a large deposit before the agreed work commenced. The amounts ranged from £10,000 to £27,700 and to-date no work has ever commenced.

The investigation led to charges against four defendants under the Fraud Act 2006 and the Companies Act (Fraudulent Trading). Three defendants were found guilty at Snaresbrook Crown Court in November 2021. The fourth had pleaded guilty earlier in the proceedings. They were sentenced in February 2022:

- Brian Tutton, who set up Contemporary Home Improvements Limited: 7 years' imprisonment, 10-year company director ban, £170 surcharge.
- Scott Baker: 4 years' imprisonment, 5-year company director ban, £170 surcharge.
- David Gogo: 14 months' imprisonment suspended for 2 years, 160 hours unpaid work, £140 surcharge.
- Louise Shiankwang: 22 months' imprisonment suspended for 24 months, 160 hours unpaid work, £140 surcharge.

The company went into Voluntary Liquidation in October 2017.

10.4 POCA cases

Some examples of POCA cases this year.

Operation Apple (POCA)

POCA proceedings result: Confiscation of £213,000

Details of this case is reported above. A three-day confiscation trial at Bristol Crown Court took place in September to assess what proceeds of crime were gained by one defendant, but agreement was reached prior to the hearing. Judge Horton decided that Sanket Patel had assets of £226,619 available and benefitted from proceeds of crime to a value of £150,000 and one victim lost £6,500. He ordered the defendant to pay £150,000 within three months or be imprisoned in default for 3½ years. From that sum, one victim is to receive £6,500 compensation. Prosecution costs of £63,000 were awarded.

Operation Swarm

POCA proceedings result: Recovered £98,889 to be paid back to the victims as compensation

This case involved three scammers who had previously been found guilty of 34 offences of mis-selling selling two different 'home improvement' products. The value of the fraud was determined by the Court at £100,000.

Operation Cupertino

Criminal benefit as determined by the Court: Confiscation £202,669

In 2016, Ireplace Limited and its sole Director, Gianni Luca Falchi, pleaded guilty to supplying counterfeit mobile phone accessories through more than 130 eBay accounts. The Court determined a criminal benefit of £1,471,164 and the confiscation proceedings resulted in a confiscation of £202,669.

Operation Coffee

POCA proceedings result: Confiscation £405,107 with £177,680 to be paid back to the victims as compensation

A father and step-daughter were found guilty in 2018 of CPRs offences relating to a timeshare 'leisure credit' scam. the POCA hearing a confiscation order of £405,107 was made, of which £177,680 compensation is to be paid in compensation to victims.

Regional Investigations Teams' Data

| General Outcomes | Apr-Jun 2021 | Jul-Sep 2021 | Oct-Dec 2021 | Jan-Mar 2022 | Total |
|---|---------------------------|-------------------------------------|-----------------------------|--|----------------|
| Operations commenced | 10 | 9 | 9 | 2 | 30 |
| Operations concluded | 8 | 4 | 7 | 10 | 29 |
| Live Operations | 108 | 113 | 115 | 107 | -/- |
| Successful prosecutions | 5 | 2 | 3 | 5 | 15 |
| Victims | 360 | 70 | 184 | 228 | 842 |
| Consumer and business detriment avoided ⁹ | £988,750.00 | £386,536.00 | £1,088,435 | £1,665,083.24 | £4,128,804.24 |
| No. of defendants convicted (imprisonment. suspended sentence. fines. community penalties) | 11 | 2 | 3 | 14 | 30 |
| Total fines imposed | 1 (£100) | 0 | 0 | 0 | £100 |
| Total custodial sentences imposed | 4 (106m) | 1 (36m) | 3 (76m) | 8(332m) | 16 (45yrs 10m) |
| Total suspended sentences imposed | 2 (45m) | 1 (6m) | 0 | 6 (92m) | 9 (11yrs 11m) |
| Community service penalties | 1 (120hrs) | 1 (150 hrs) | 0 | 5 (900 hrs) | 7 (1170 hrs) |
| Other penalties: CBO Conditional Discharge Written Warning Company Director ban Rehabilitation Order Seize & Destroy Forfeiture Order Electronic tag Curfew count Undertaking Simple Caution | (4) 3 1 (4 yrs) | (2) 1 (6 yrs) 1 (10 days) | (8) 1 3 1 (10 yrs) | (8) 2 4 (29 yrs) 1 (15 days) 1 (4 m) | 22 |
| Compensation awards to victims (excl Victim Surcharges) | £177,680.00 | £6,500.00 | 0 | £98,889.24 | £283,069.24 |
| POCA Confiscation awards (*with default prison sentence) | £607,777.98 | £150,000.00 (*3½ years) | 0 | £173,988.00 | £729,095.92 |
| Court costs awarded | 0 | £63,000 | 0 | £10,300 | £73,300 |

Table 4 - National Trading Standards Investigations Teams' Management Data

⁹ see Annex for detriment calculation methodology

Chapter 11 - eCrime

11.1 Background

The Board commissions the NTS eCrime Team (Digital Evidence Unit and associated investigations) via the Yorkshire and Humber Trading Standards Group. The Team is hosted by North Yorkshire County Council and City of York Council.

11.2 Overview

The pandemic has caused delays in investigations and trials again with only one prosecution reaching conclusion and one defendant pleading guilty. In another case, two suspects were sent warning letters. Two other investigations were discontinued. The detriment avoided through the Team's interventions and enforcement is £29,363,954 this year.

The increasing importance of the Team's disruption activity is shown by the more than doubling of last year's website and social media takedowns and interventions outside of the court system to 386 with a value of £8,227,535.

Altogether the consumer and business detriment avoided through the Team's actions is £37,591,489.

The Team has 13 active operations: a POCA hearing, one case awaiting trial and 11 investigations.

The Team has received referrals from NTG and the Insurance Fraud Bureau, FACT, NFIB, North Yorkshire Police and the Metropolitan Police. Their cases include: computer services fraud; a website providing fake qualifications and other certificates; online plumbing and pest control services; a bogus web designer review website; 'copycat' websites; a recruitment scam; a claims management company; IPTV and secondary ticketing ("power sellers"); as well as counterfeiting; and the unfair trading practices of online coach hire companies and model agencies.

11.3 Digital Evidence Forensic Support

This year, the Digital Evidence Unit provided forensic support to 32 LAs' and RITs' investigations, examined 113 PCs/laptops, 130 mobile phones and 120 other devices (iPads, memory sticks etc).

The office and forensic laboratory moved to a new site this year.

The Team has worked on the ISO accreditation and the long-awaited formal UKAS accreditation visit occurred in March. Assessors reviewed the quality management system, technical procedures and the physical environment (forensic laboratory, evidence handling areas, secure evidence stores etc.). Overall the feedback was positive, with some actions identified, but there were no major concerns noted. The Team will work through those actions ahead of a three-day follow-up visit, provisionally scheduled for September 22. That visit will include additional assessments of the Team's approach to information security, disaster recovery and business continuity planning.

11.4 Ongoing campaign, project and casework

Operation Gilbert

This model agency case was adjourned to allow for a 'Preparatory Hearing' regarding various points raised by the defence which were heard in January 22. The judge ruled in favour of the defence on a number of key issues which could have national impact on cross-border investigations. The ruling has been appealed and no further information can be provided due to reporting restrictions.

Award

The National Co-ordinator of the NTS eCrime Team was nominated for an award for an individual who has advanced and shown an active commitment to development of the cyber and digital profession. This award was sponsored by The Chartered Institute of Information Security Professionals for his contribution to developing and supporting the Institute of Cyber and Digital Investigation Professionals. This is a reflection of both his dedication and the work of the Team as a whole. Given these awards are very often Police/NCA centric, even to be nominated is a significant achievement.

Operation Monty

The Team co-chairs a working group created to look at the emerging issue of counterfeit goods sold via Instagram and WhatsApp and to develop a project based on Operation Jasper's success. Phase 1 was a concerted period of takedown activity focused on the run-up to Black Friday in November.

Digital Disclosure Guide

A Digital Disclosure Guide was introduced at the eCrime and Regional Investigations Teams' two-day training event in December. The Team also delivered online training seminars on how to use NUIX to review digital material and support the disclosure process. Feedback from the Teams using NUIX is being assessed.

Fake online reviews

Working with Barley Communications, a press release about fake online reviews was published in early December. The Team commissioned an independent polling company to carry out a consumer survey on their experiences of online reviews. The survey revealed that in the last year as much as £23 billion of online spending was influenced by online reviews, whilst 56% of consumers had a negative experience of a product or service having relied on positive online reviews when making their purchasing decision. The article was picked up by all major national news outlets, with 12 interviews being carried out on the day of the release. The article was also published on over 250 other websites and news outlets.

Initial discussions about fake online reviews took place with Amazon recently, and the Team learnt more about how Amazon identifies and removes suspect reviews. There may be options for future joint working.

Expansion of Real Deal Online campaign

Following the publication of the revised Real Deal Online toolkit three online training seminars were delivered. These gave officers an introduction to the toolkit, with supporting training on relevant legislation and RIPA. Over 250 officers were trained and their feedback will help the Team to develop further online seminars for 2022/23.

11.4 Closed cases

Operation Plug

Result: 1 defendant – fined £300, £5,000 costs and £168 compensation

Financial value of the fraud: £88,000

This trader offered codes to allow consumers to 'unlock' their mobile phones. He used 'fake' positive reviews to create a misleading impression about the business. After charging an initial fee he then made misleading claims for more fees to provide a valid 'unlock' code. He pleaded guilty to six Consumer Protection from Unfair Trading Regulations 2008 offences and was fined £300 and ordered to pay £5,000 in costs and £168 compensation to victims.

Operation Riley

Result: 2 directors – 2 warning letters

Financial value of the fraud: £29,225,954

An investigation into several websites allegedly providing help with tax rebates. The sites looked 'official' but did not make it clear that a substantial percentage of any rebate was kept by the trader operating the websites. The business accounts linked to the websites took over £29m. However the pandemic restrictions hindered the investigation with some sites shut down citing Covid-19 as the reason. Witnesses struggled to provide specific detail about the websites due to the length of time since they used them. Also there had been correspondence between some victims and HMRC where HMRC had suggested that the sites were legal. For all of these reasons, it was felt that a prosecution would not be appropriate. The businesses ceased trading. A warning letter was sent to the two directors.

Operation Eiffel

In October the two defendants' appeal against their conviction in this secondary ticketing case was dismissed on all grounds. The POCA proceedings were extended due to the 'exceptional circumstances' provisions (i.e. delays due to Covid and awaiting the outcome of the Appeals). The Team has c. £6 million restrained assets.

eCrime Team Data

| General Outcomes | Apr-Jun 2021 | Jul-Sep 2021 | Oct-Dec 2021 | Jan-Mar 2022 | Total |
|--|------------------------|--------------|--------------|--------------|-------------|
| Operations commenced | 1 | 1 | 3 | 0 | 5 |
| Operations concluded | 2 | 2 | 0 | 0 | 4 |
| No of live Operations | 11 | 10 | 13 | 13 | - |
| Value of detriment avoided by enforcement ¹⁰ | £29,275,954 | £88,000 | 0 | 0 | £29,363,954 |
| No of website/social media takedowns, or other successful interventions outside the courts | 97 | 81 | 157 | 51 | 386 |
| Operations where the eCrime Team assisted another local authority/agency | 6 | 11 | 11 | 5 | 33 |
| Enforcement Outcomes of eCrime Team Operations | | | | | |
| Defendants convicted/found in breach | 0 | 1 | 0 | 0 | 1 |
| Total fines imposed | 0 | £300 | 0 | 0 | £300 |
| Total custodial sentences imposed | 0 | 0 | 0 | 0 | 0 |
| Total suspended sentences imposed | 0 | 0 | 0 | 0 | 0 |
| Community service penalties: | 0 | 0 | 0 | 0 | 0 |
| Other penalties: Enterprise Act Undertaking Written Warnings | 2 | 0 | 0 | 0 | 2 |
| Detriment avoided due to Disruptive | £944,656 ¹² | £4,982,186 | £242,500 | £2,058,193 | £8,227,535 |
| Compensation awarded to victims | 0 | £168 | 0 | 0 | £168 |
| Costs awarded | 0 | £5,000 | 0 | 0 | £5,000 |
| POCA confiscation awards | 0 | 0 | 0 | 0 | 0 |

Table 5 – NTS eCrime Team Management Data

¹⁰ See Annex for detriment calculations

¹¹ See Annex for detriment calculations – this is a new element included as from 21/22

¹² Revised Figure

Chapter 12 - Scams

12.1 Background

Mass Marketing Fraud (scams) often targets disadvantaged or vulnerable consumers. This type of fraud causes approximately £5-10 billion of detriment to UK consumers per year. NTS commissions its Scams Team from Buckinghamshire and Surrey Trading Standards which helps to identify and make referrals about individual victims of mass marketing fraud. They undertake disruptive activities to reduce detriment and work with partners on several mass marketing fraud programmes.

12.2 Overview

This year, the Team identified 1,145 victims and thus made savings of £28,704,753.91 through its investigations and disruption work, and the savings made through local authority support. They stopped 1,075,920 mailings from reaching UK consumers and the financial saving from enforcement disruption is £15,761,363, which includes estimated healthcare and health related quality of life savings.

The Team assisted local Trading Standards on 41 enquiries, provided 21 intelligence reports to UK law enforcement agencies and two reports to international partners in support of their enquiries.

The Team continues to work closely with the Information Commissioner's Office (ICO) on several linked enquiries around misuse of data involving UK-based telephone fraudsters linked to Operation Derdap.

Call blockers were provided as part of the Multi Agency Approach to Fraud (MAAF).

12.3 Friends Against Scams (FAS)

FAS reached its fifth anniversary and held a celebration on social media to share the achievements, initiatives, and projects. Many local authorities, organisations and members of the public supported the Team on social media platforms.

FAS in British Sign Language: The Team worked with Bolton Deaf Society to produce a version of the online awareness session in British Sign Language. This is now available on the website.

Age UK Scams Prevention and Support project: The Team have been working closely with Age UK on their Scams Prevention and Support project. Funded by Lloyds Banking Group for two years, it will be operational until January 2024.

Utilities Against Scams project: The pilot project run in Lincolnshire, involving engineers raising awareness of scams with customers, has now concluded. The project created a partnership between Cadent, Anglian Water, Lincolnshire Trading Standards and the FAS Team who are now evaluating and planning its next steps.

FAS were involved in their own and partners' events and projects that included:

- 'Tea with the Team' - a concise FAS training session for staff and volunteers
- Citizens Advice Scams Awareness fortnight in June.
- A six-month pilot to look at a new model of developing community resilience to scams through the use of community connectors, with Citizens Advice.
- Which? 'Trusted Traders' on invoice fraud – postcard format advice for traders to use to raise awareness when talking to their employees and customers.
- STOP. THINK. CALL. Campaign (November) – with WhatsApp and Citizens Advice to educate people on how to protect themselves and their WhatsApp account from message-based scams.
- Scamnesty campaign - a social media pack in English and Welsh for LAs and FAS Organisations. Each week covered a different scam mail, encouraging people to talk about scams and send their scam mail to the Team.
- A feature on BBC's 'Defenders UK' in a segment around Scam Marshals and the Team's work in tackling fraud and scams.

| | Apr-Jun 2021 | Jul-Sep 2022 | Oct-Dec 2022 | Jan-Mar 2022 | 21-22 Total | Overall Total |
|-----------------------------------|--------------|--------------|--------------|--------------|-------------|---------------|
| No. 'Friends' | 30,055 | 40,011 | 61,252 | 44,392 | 175,710 | 914,150 |
| No. SCAMchampions | 34 | 41 | 45 | 43 | 163 | 2,241 |
| No. SCAMBassadors | 2 | 0 | 7 | 3 | 12 | 223 |
| No. Friends Organisations | 7 | 8 | 8 | 8 | 31 | 300 |
| No. Twitter Followers | 327 | 109 | 280 | 142 | 858 | 6,663 |
| No. Facebook Followers | 72 | 51 | 134 | 46 | 303 | 4,757 |
| No on Facebook group | 73 | 4 | 12 | 17 | 106 | 1,770 |
| Practitioner e-learning completed | 58 | 83 | 68 | 70 | 279 | 2,290 |

Table 6 – Friends Against Scams Data

12.4 Scam Marshals

No. of Scam Marshals at 31/03/22: 2,161

The progress of Scam Marshal sign ups is shown below. The number of new Scam Marshals recruited by Trading Standards Officers has declined because face-to-face meetings have not been taking place.

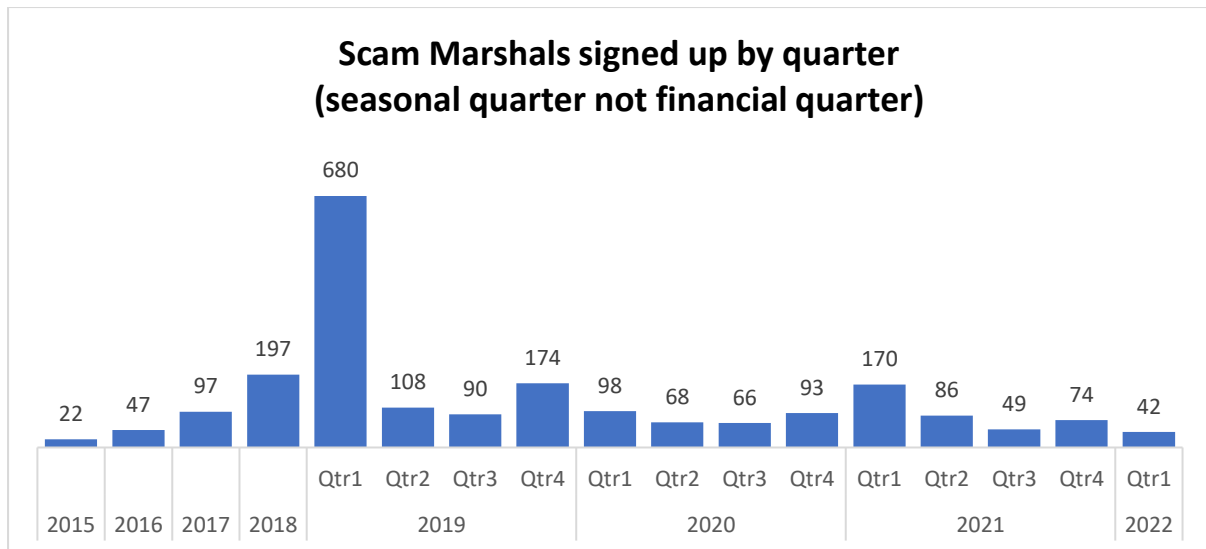


Figure 2 – Scam Marshal Sign Ups

There is at least one Scam Marshal in 186 (95%) of local authorities. Scam mail received from Scam Marshals over the course of 2021/22 has reduced, albeit with a slight increase in December due to the Team's Scamnesty campaign.

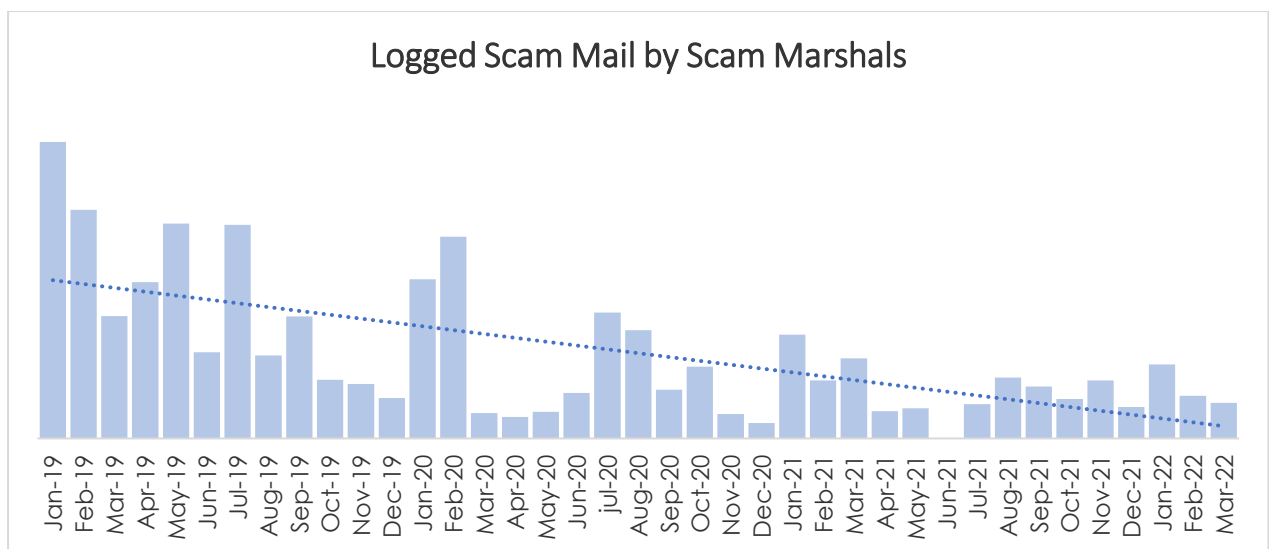


Figure 3 – Scam Mail received by the Scams Team

Scam Marshal newsletters featured a range of scams including: clairvoyant/prophets and evangelist fraud, COVID vaccine passport scams, British Gas and energy scams, doorstep crime, online shopping fraud, charity mailings and text message scams, banking scams, romance fraud, illegal content scams, DVLA and cryptocurrency/ investment scams.

The monthly newsletters also included enforcement news, scams reported by Scam Marshals to the Team and trends spotted by other partners.

Scam Marshals were invited to speak to a research company about their experiences of scams; and there were opportunities for Scam Marshalls to appear on BBC's The Defenders and ITV.

12.5 Postal Operators

Between November 2016 and the end of 2021, Royal Mail prevented 5.1 million items from reaching consumers. This equates to £22.9 million saved for consumers.

Operation Juojarvi: The Investigations Team worked with partners and stopped 570 clairvoyant style mailings in March 2022. All targeted consumers who had previously responded to scam mailings. The mailings are menacing in content and threaten harm or loss to the recipient or their immediate family, demanding £45 to £80. Estimated savings of £39,501.

The Team also stopped 9,000 mailings (a Swiss sweepstake entry: estimated savings of £110,880); and 4,000 mailings (a lottery syndicate entry from Cyprus and the Netherlands: with estimated savings of £266,112) from reaching UK consumers.

12.6 Multi-Agency Approach to Fraud (MAAF)

After the completion of the toolkit, the MAAFs were rolled out across UK police force areas. Eleven regional seminars were delivered to 361 people in the autumn. There was an excellent geographical spread among attendees, and a mix of Trading Standards, police, third sector agencies and some councillors. Feedback was very positive, and fourteen people offered to be the contact for their police force area.

The Team held online training session and webinars for local authorities interested in running their own local call blocker project, with over 150 delegates attending. A

Tackling scam and nuisance calls: Toolkit was developed to accompany the *Tackling scam and nuisance calls: Guide*.

In addition to the £50,000 from the Home Office, The NTS Board allocated additional funds of £150,000 over two years for this work plus another £250,000 in mid-December for the purchase of call blockers for the MAAF's via the BEIS grant. There were 29 successful bids for call blocker funding. The successful areas demonstrated that they were already working in a Multi-Agency Approach to Fraud, they were close to launching their approach, or they had held meetings to set up this approach.

In total 1,298 call blocker units will be supplied to those areas and, using a calculator¹³, over the average four-year life of a unit, the savings will be as follows:

| | |
|--------------------|--------------|
| Financial Savings | £8.4 million |
| Well-being savings | £1.7 million |
| Total Savings | £10 million |
| Cost Benefit | 40:1 |

There are 12 areas that are working in an established MAAF. The Team sent out a mapping survey to identify the progress of the MAAF's and, from the 18 responses the Team has received, there are some strong links in other areas already. Currently, 29 police force areas are actively engaging with the project. The Team will follow up with all areas in receipt of call blocker funding to support and encourage them to establish a full multi-agency approach.

The Team met with the Mayor's Office for Policing & Crime (MOPAC) to discuss the MAAF project and to forge a closer working relationship. Another meeting is arranged in April to discuss how MAAF could be set up in London during the coming year and establish effective partnership working.

All the KPIs set by the Home Office for the MAAF work have been exceeded.

12.7 UK and International Investigation updates

Below are some examples of achievements this year. Savings figures include the amount saved plus the estimated healthcare and health related quality of life savings.

¹³ Call blocker project cost benefit calculator

The Team continue to assist EU, US, and UK law enforcement with an enquiry into a “release of winnings in worldwide lotteries” mail and internet-based scam. The average loss to consumers is £8,000. The criminals use account take overs and fraudulently obtained card details of vulnerable victims to pay for postage and print using a UK-based mailing house to target UK and overseas consumers. The Team is working with the company to identify the criminals and to close the loophole in the business that allows the criminals access. The Team’s intervention led to the closure of several fraudulent accounts and the company is now improving its due diligence regarding their customers and business processes.

The Team is working with US colleagues on several enquiries involving call centres based in North Africa, India and the Philippines that are targeting UK consumers to obtain personal and lifestyle data to sell on to UK-based criminals. Many of the call centres are targeting UK consumers about emerging trends, namely green energy, loans, energy providers, government refunds and health monitoring systems.

Operation Constance: This is a faith-based scam repeatedly targeting victims using data-mined information provided by the victim that personalises the mailing. Intelligence suggests approximately 3,000 mailings per month continue to enter the UK from the USA. Contact from a UK-based call centre has risen. Interviews with victims show a consistent pattern of hundreds of pounds being sent to the criminals in return for a promise of wealth, health and wellbeing. The Team, when resources allow, will look to carry out further work regarding the call centre and breaches of Telephone Preference Service and consumer offences with the assistance of local Trading Standards.

In 2019, the Team assisted the US Federal Trade Commission in securing a conviction against a group of US-based scammers targeting numerous countries with a sweepstake and cash win mailing scam. The Team sought civil redress through the courts to recompense the UK victims. As a result of the evidence provided and lobbying of the court, it was agreed that known UK victims could receive compensation (a first for UK Trading Standards and a non-police agency) and that the return of monies to some 4,000 victims would be administered by the Scams Team with assistance from local Trading Standards Services. Whilst the logistics have been a challenge, it is anticipated that almost £700,000 will be available early in 22/23 for return to UK consumers.

A UK mail operator was approached by a French company to provide mail services. The mailings were in breach of the Consumer Protection from Unfair Trading Regulations 2008 and were fraudulent in content. The Team worked with the

operator and discovered the mailings' origin. Disruption resulted in all mail being stopped and other UK mail providers were alerted. This caused the sender to again withdraw from the UK. Estimated savings £1,776,840.

A mailing sent by a UK entity involved a premium number to enter a competition. The Team contacted both the mailer and the mail provider. The provider cancelled the delivery contract and the mailer withdrew that and future mailings containing the premium phone line. Estimated savings £80,330.

A Canadian law enforcement agency advised the Team that a 93-year-old consumer had been scammed out of their life savings, £11,800 of which had been sent to a UK address. The Team contacted UK Border Force and Police and the money was detained and returned to the victim. UK law enforcement have been passed the recipient's details for further investigation. Estimated savings £18,172.

In July, the Team identified a South American call centre scam targeting a major telecom provider. The scammers asked for bank details to clear outstanding monies owed; with an estimated loss of £50 per 80,000 potential victims. The Team engaged with telco providers to block the number. Estimated savings £6,160,000.

The Team helped the Gambling Commission to identify a lottery syndicate company targeting UK consumers with offers of entry into non-UK lotteries. The Commission withdrew the lottery syndicate company's UK gambling licence. The Commission's presentation to the adjudication stated "*evidence from the National Trading Standards (NTS) Scams Team showed that many of IMME's top 20 depositing customers were identified on an NTS database that identified consumers who have been targeted on multiple occasions and replied to mailings. Some of these customers were recorded by NTS as having been targeted by scammers on multiple occasions and also identified on known or convicted scammers' data lists as replying*".

Operation Derdap

The NTS Scams Team and Buckinghamshire and Surrey Trading Standards are working together to tackle criminals selling worthless appliance and home repair cover plans to vulnerable and senior consumers. The Scams Team is engaged in disruption and Buckinghamshire and Surrey Trading Standards is engaged in investigation. The NTS Intelligence Team identified over 190 potential companies and a further 1,400 entities linked to the companies too. In the summer, the NTS

Scams Team's disruption work led to five companies being dissolved with two receiving civil penalties and three bank account closures. The latter generated £29,000 per week in receipts from victims (estimated savings £580,580). The Team also recovered over £25,000 and returned it to victims.

The Team's interventions resulted in:

- Removal of accounting, payment and serviced office provision from some entities.
- Refunds of approximately £350,000 to consumers.
- Finance service providers withdrawing banking facilities from six entities.
- Investigations by other agencies relating to bankruptcy, national insurance fraud and a £50,000 bounce back loan fraud.
- A linked company, which cold calls senior consumers and offers supposed discount shopping and travel cards, had its banking facilities suspended and approximately £55,000 was identified and will be returned to consumers.
- Work with a major card acquirer that led to a group of criminals who were taking payments for home improvements from elderly and vulnerable victims, and £194,529 was stopped and card processing and banking facilities closed.

The Team continues to work with the ICO who issued £400,000 in fines and served "stop now" orders on five targets.

The Team recently signed an MOU with UK Finance to allow an intelligence pathway to be developed. This will assist setting up an alert system to find current trends and criminals that are using the banking system. The banks will assist the Team in flagging vulnerable victims revealed by the transactional activity of the identified criminals' bank accounts.

Scams Team Data

| Performance Indicators | Apr-Jun 2021 | Jul-Sep 2021 | Oct-Dec 2021 | Jan-Mar 2022 | Total |
|--|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Value for money (estimated & actual consumer savings/every £1 of budget) | £78 | £79.24 | £65.66 | £50.00 | - |
| No. of pieces of mail returned to sender/disrupted | 1,045,350 | 9,000 | 21,000 | 570 | 1,075,920 |
| No. of LAs supported with advice & guidance on fraud, scams and investigations | 11 | 9 | 11 | 10 | 41 |
| Victims | 402 | 327 | 250 | 166 | 1,145 |
| Estimated future financial savings (TS' intervention) | £1,164,141.91 | £844,564.00 | £355,189.00 | £166,173.00 | £2,530,067.91 |
| Actual savings to consumers (from money returned) | £21,355.00 | £177.00 | £39.00 | £3,842.00 | £25,413.00 |
| Financial saving from effective enforcement disruptions | £7,207,200.00 | £7,194,880.00 | £1,020,212.00 | £339,071.00 | £15,761,363.00 |
| Financial savings from Friends Against Scams programme | £1,776,840.00 | £2,365,435.00 | £3,621,195.00 | £2,624,438.00 | £10,387,908.00 |
| Total savings¹⁴ | £10,169,536.91 | £10,405,056.00 | £4,996,635.00 | £3,133,524.00 | £28,704,751.91 |
| % of consumers recorded feeling safer in their own homes after TS' intervention | 62% | 51% | 64% | 75% | 63% |
| No. of Friends Against Scams initiative recruits | 30,055 | 40,011 | 61,252 | 44,392 | 175,710 |
| No. of SCAMchampions facilitating training to others | 34 | 41 | 45 | 43 | 163 |
| No. of SCAMBassadors in influential positions recruited | 2 | 0 | 7 | 3 | 12 |
| % of participants who completed the Friends training who think they are less likely to fall victim to a scam | 97% | 94% | 97% | 97% | 96% |
| % of participants who completed the Friends training who feel this will prevent them or anyone they speak to from falling victim to a scam | 98% | 98% | 98% | 98% | 98% |

Table 7 – NTS Scams Team Management Data

¹⁴ See Annex for detriment calculation

Chapter 13 Estate and Letting Agency

13.1 Background

The NTS Estate and Letting Agency Team is jointly hosted by Powys County Council (the lead enforcement authority under the Estate Agents Act 1979) and Bristol City Council (the lead enforcement authority under the Tenant Fees Act 2019).

Governance is provided via the NTS Estate and Letting Agency Governance Group which includes DLUHC officials.

As the lead enforcement authority for the Estate Agents Act its responsibilities include the issuing of prohibition and warning orders, the management and approval of the UK's consumer redress schemes, providing sector-specific advice relating to the Estate Agents Act and maintaining a public register of prohibition and warning orders. As lead enforcement authority for letting agency work in England its role under the Tenant Fees Act is to oversee the operation of relevant letting agency legislation; issue guidance and provide information and advice; and to keep under review and from time to time advise government on developments in the sector.

13.2 Lettings projects

Final reports for lettings projects undertaken in 2020/21 were agreed by the Governance Group in December 2021 and have been circulated to all local authorities and the wider regulatory community.

For 2021/22, DLUHC granted a sum of £254,246 for further lettings enforcement projects. Eight of 11 project proposals were approved as follows:

Let's Go: Project to improve lettings enforcement and information within Bournemouth, Christchurch & Poole Council: Closer collaboration with colleagues in the council's private sector housing service.

Private housing trading standards practical enforcement experience sharing
Bristol City Council has developed a package of practical enforcement strategies across Trading Standards and Environmental Health.

Closing the intelligence gap in Devon: Devon Plymouth Somerset & Torbay Trading Standards engaged with district councils to enable information sharing across authorities where bad landlords exist across the region. The project also provided a test-bed area for the IDB database.

Operation Mercury: London Trading Standards project aimed at raising compliance with Client Money Protection requirements in the London region.

Lettings training platform: Trading Standards South East project to develop an online training platform, payment facility, templates for communications & training packages targeted at letting agents and the Tenants Fees and Consumer Rights Acts.

Operation Mars: NTS Estate and Letting Agents Team provided access to training and support on the IDB database for District Councils.

13.3 Work to support Local Authorities

The Team continued in its agreed backstop lead enforcement role, supporting local TS during the ongoing pressures on services to manage local Covid 19 responses. The role ended in September but the Team will continue to monitor the situation.

The Khub site continued to grow and there are currently 791 members, providing a resource for local authority officers to seek advice and find updates.

The compliance checklist for enforcement officers was launched during a live webinar and has been uploaded to the Khub. Feedback from attendees was overwhelmingly positive, particularly in appreciation of the simplicity of the checklist and the provision of an excellent foundation for conducting inspections and reacting to complaints.

13.4 Training and Education

The Tenants Fees Act eBook was reviewed and relaunched in December. It is available on the Khub and now mirrors the Letting Legislation Toolkit which was reviewed and updated at the start of 2021. The Team has encouraged authorities to include the eLearning in any training for officers new to lettings legislation enforcement.

A total of 486 officers have completed the course (120 of those during 2021-22). The Team have produced additional modules for 2022/23 and will add a module on intelligence sharing and promote it to those who have already completed the course. Two additional modules have been produced for external partners, the first aimed at enforcers such as Police, HMRC, Companies House and Insolvency Service and is intended to raise awareness of what to refer to Trading Standards and/or the Team, what intelligence should be shared and how to recognise offences when dealing with matters concerning estate and letting agents. The second is for advice providers such as homelessness charities, local CABx and tenant relations personnel, with the aim of increasing their understanding of what and how to refer a case for investigation and what information is important to gather.

In conjunction with Propertymark, the Team delivered five full day training sessions on CPRs and Estate Agents Act 1979 to a total of 115 estate and letting agents.

A significant number of webinars were hosted by the Team, which provided training and workshop/discussion opportunities for LA enforcement officers on a range of topics, including redress, alternative deposit schemes, client money protection, debt recovery, TFA etc. Representatives from partner agencies such as PRS, TPO and DLUHC also participated.

13.5 Casework

The Team investigates cases under the Estate Agents Act 1979, culminating in fitness assessments of individuals and/or businesses to engage in estate agency work. Fitness investigations are also triggered by the commission of offences outside of the Estate Agents Act, including forgery, theft, violence, money laundering and breaches of the Consumer Protection legislation. The Team receives complaints and referrals from a range of sources and undertakes monitoring of news websites, social media etc. Examples include:

An investigation regarding an individual who continued to engage in estate agency work whilst banned, concluded with sentencing taking place in Wolverhampton Crown Court. The individual received a custodial sentence of six weeks for CPR offences and was fined £4,000 for engaging in estate agency work whilst prohibited. Love Your Postcode, the company concerned, was fined £12,000. The other defendant was formally warned and undertakings issued against both her and the company.

The Team received a request for assistance in relation to an investigation into a number of related property management agents who are refusing to cooperate with the property owner's needs, in order to control the value of the contract.

West Mercia Police are scoping a report into letting agents and landlords in the Telford area, where levels of crime reflect OCG activity such as County lines, cannabis farms, money laundering, people trafficking and associated issues. The Team has been asked for an initial contribution towards intelligence planning.

In 2013 a Prohibition Notice was imposed upon a person prohibiting them from engaging in estate agency work. In 2019 it was brought to the Team's attention that this person was engaging in estate agency work in direct contravention of the Order. This individual was prosecuted and pleaded guilty to breach of the Estate Agents Act and two offences under the CPRs for offences relating to professional diligence and mis-leading action. Their partner, whilst not prosecuted, entered into a formal undertaking under the Enterprise Act 2004 as well being subject to a formal warning order under Section 4 of The Estate Agents Act 1979. Their company also pleaded guilty to an offence of professional diligence under the CPRs and was also subject to a formal warning order.

The main property portal in Northern Ireland liaised with the Team regarding various concerns that have come to their attention involving estate agents in the province. The Team is now supporting Trading Standards Northern Ireland with an investigation. Allegations included:

- Agents refusing to allow potential purchasers to view properties without evidence of Agreement in Principle (AIP) showing lender and pre-approval amount.
- Agents refusing to pass on and/or being dismissive of offers made by potential purchasers if they do not have an AIP showing the lender and the pre-approved amount.
- Agents "advising" potential purchasers – especially first time buyers – to use in-house services with reasons such as "keeping it all in house", "to ensure a smooth transaction", or on seeing the AIPs by the property portal, saying to consumers "that's not how it's done".
- Agents not allowing potential purchasers to view properties unless they have a meeting with agent recommended mortgage adviser.
- Failing, in general, to disclose referral fees, commissions etc to potential purchasers. Failing to tell potential purchasers what it means if they meet with

an agent recommended mortgage broker and that they do not have to meet with them – they are free to choose anyone.

The Team received a complaint by a landlord who was unable to trace his letting agent or obtain copies of tenancy agreements. He had been informed by the Police that two of his properties had been used as cannabis farms and they required all his files on the tenants as part of their investigation. The letting agent had failed to register deposits, provide the landlord with any information on the tenants and the rents were passed on from the letting agents business account which was not registered for client money protection. The damage at the properties amounted to over £150,000, and the landlord was losing income from the rents until the repairs were completed. The landlord wanted advice on how to avoid this happening again and how to conduct background checks on letting agents.

13.6 Projects led by the Team

Operation Neptune - Material information on property listings

This is a project to agree what information is to appear on all property sales and lettings listings. The first phase of the project was officially announced in February 2022. The team have prepared webinars and podcasts for broadcast in 2022/23 and the team has liaised with The Law Society on updates to their TA6 form.

Industry and Consumer groups are working on guidance as well as producing generic wording for all portals to use where information is missing. The Team has liaised with CMA regarding Price on Application, and further discussions are due on pricing in general.

The Team continues to monitor sales and letting listings on portals throughout the UK. Information is Details are being recorded to establish current levels of information included in property listings, whilst sampling will continue to build up a dataset that can demonstrate existing and future levels of compliance.

Operation Saturn – monitoring information provided by agents on fees, redress and CMP membership

Letting agents are required to publish details of their relevant fees on their own website as well as on third party websites where properties are advertised. They also have to display membership of a redress scheme or a client money protection (CMP)

scheme, along with the name of the scheme and a copy of their CMP certificate. The Team is undertaking online compliance checks of letting agents and where non-compliance is identified, referrals are made to the appropriate local authority.

Operation Mars

This is a rollout of subscription to IDB for local housing authorities in England in two-tier authority areas where a licence is provided for 12 months for three officers in each authority. This is to aid the notification requirement of enforcement action under S.14 Tenant Fees Act 2019, but it is hoped that its use will extend more widely once the benefits of the intelligence are recognised in practice.

A supporting infographic is being produced on the NTS Intelligence Operating Model to encourage the introduction of a similar regional structure. Training for officers and heads of service has commenced and support provided for system users. Engagement with Districts continues to encourage sign-up to access agreements.

Operation Ceres

The Team is gathering intelligence on alternative deposit schemes such as membership clubs and agents that offer low or no deposits by increasing the rent payable by the tenant. These promotions are aimed at low-income tenants with poor credit and/or no guarantor.

Operation Pluto

The Team is gathering intelligence on the Rent to Rent market, also known as guaranteed rent. These schemes are offered to landlords as providing constant income with no downtime and no risk. Training courses are aimed at agents who may wish to start a Rent to Rent agreement and are expensive, costing around £10,000.

13.6 Stakeholder engagement

Other Team activities included:

- Preparation of an article on material information disclosure for Property Professional which is the Propertymark magazine for their members.

- Membership of the working group putting together the Codes of Practice arising out of recommendations from the RoPA report. The Block management sub-code is currently circulated for consultation.
- Guidance drafted in relation to the CPRs in respect of cladding and the disclosure of material information. There is resistance to disclose this information in some sectors and confusion over DLUHC requirements. The guidance will ensure that the requirements and compliance with them is understood.
- Engagement with a variety of agencies and groups, and attendance at and presentation to various events including:
 - Law Society annual conference.
 - Society for Licensed Conveyancers annual conference.
 - Chartered Institute for Trading Standards
 - Chartered Institute of Environmental Health
 - HMRC
 - CMA
 - Association of Tenancy Relations Officers
 - The Letting Industry Council
 - Rent Smart Wales
 - Home Buying and Selling Group
 - Digital Identity Group.
- The team is now receiving a list of all new registrants who signed up for Anti Money Laundering Supervision from December 2020 (totalling 4518). A current list of redress scheme members has been received and is being compared for discrepancies. Those agents who appear on one list but not the other will be investigated and referred to the appropriate local authority.

National Trading Standards Estate and Letting Agency Team Management Data

| | Apr – Jun 2021 | Jul – Sept 2021 | Oct – Dec 2021 | Jan – Mar 2022 | TOTAL |
|--|-------------------|--------------------|-------------------|-------------------|-------|
| *Incidents received | | | | | |
| Estate agency only | 54 | 43 | 39 | 83 | 219 |
| Letting agency only | 110 | 113 | 102 | 118 | 443 |
| Both | 166 | 176 | 158 | 367 | 867 |
| Requests for advice received | | | | | |
| Estate agency | 30 | 12 | 14 | 70 | 126 |
| Letting agency | 77 | 56 | 40 | 100 | 273 |
| Both | 2 | 14 | 7 | 50 | 73 |
| Other enquiries received and requests for assistance | | | | | |
| Estate agency | 24 | 30 | 25 | 12 | 91 |
| Letting agency | 33 | 57 | 62 | 16 | 116 |
| Both | 164 | 162 | 151 | 317 | 794 |
| Media enquiries received | | | | | |
| Estate agency | 4 | 1 | 0 | 1 | 6 |
| Letting agency | 6 | 0 | 1 | 2 | 9 |
| Both | 0 | 0 | 0 | 0 | 0 |
| **Fitness to engage under Estate Agents Act (Estate Agency) | | | | | |
| Cases with no further action following investigation | 6 | 0 | 1 | 2 | 9 |
| Cases with no further action following adjudication | 0 | 0 | 0 | 0 | 0 |
| Prohibition Notices issued | 4 | 3 | 1 | 5 | 13 |
| Warning Notices issued | 0 | 2 | 0 | 0 | 2 |
| Prohibition Orders Issued | 4 | 0 | 0 | 2 | 6 |
| Warning Orders Issued | 2 | 2 | 0 | 0 | 4 |
| Prohibition Orders taken effect | 4 | 0 | 0 | 2 | 6 |
| Warning Orders taken effect | 0 | 2 | 0 | 0 | 2 |
| Appeals against formal orders submitted to FTT | 0 | 0 | 0 | 0 | 0 |
| Applications to revoke or vary a prohibition or warning order | 0 | 0 | 0 | 0 | 0 |
| Penalty Charge Notices (Estate Agency) | | | | | |
| Non-membership of a redress scheme | 1 | 1 | 2 | 1 | 5 |
| Monetary penalties issued under Tenant Fees Act 2019 (Lettings) | | | | | |
| Non-membership of a redress scheme | 0 | 0 | 0 | 1 | 1 |
| Non-membership of client money protection scheme | 1 | 1 | 1 | 1 | 4 |
| Prohibited fees | 1 | 0 | 0 | 0 | 1 |
| Failure to Display Fees | 0 | 0 | 0 | 0 | 0 |

Table 8 – Estate and Letting Agency Team Management Data

Note:

*In relation to the numbers of incidents, requests for advice, enquiries and media enquiries received, these cases are counted as estate agency or lettings (respectively) dependent on the **nature of the case** rather than whether the agent/individual themselves engages in estate agency or lettings. In many cases the agent will engage in both and on occasion a case will relate to both, if this is the case it is made clear.

The Crimson software that the Team uses to record this data is currently being reviewed to make it more fit for purpose for reporting. The figures above are as accurate as can be, given system changes taking place during the reporting period.

****Fitness to engage under Estate Agents Act**

A Notice of intent to prohibit or warn under the Estate Agents Act is sent to the recipient. The recipient is given 28 days to make representations. Once the 28 days have passed, an Adjudication file is passed to an Adjudicator for determination. If deemed unfit to engage in estate agency work, an Order is made accordingly and sent to the recipient. It is only after adjudication that a Notice of Intent becomes an Order. The public register is updated accordingly and it is marked 'pending appeal' until the appeal period/case has passed.

An Order taken effect means that the appeal process has passed/concluded.

Chapter 14 - Advertising Standards Authority

14.1 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 Control of Misleading Advertisements Regulations 1988 provided a legal backstop for misleading non-broadcast advertising. Since January 2019, NTS has commissioned Buckinghamshire and Surrey Trading Standards to perform this function.

14.2 Referrals

| | Apr–Jun 2021 | Jul–Sep 2021 | Oct–Dec 2021 | Jan–Mar 2022 | TOTAL |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-------|
| Referrals received | 1 | 1 | 0 | 1 | 3 |
| Referrals closed | 4 | 0 | 2 | 0 | 6 |
| Referred to another agency | 0 | 0 | 0 | 0 | 0 |
| Total under investigation | 5 | 6 | 4 | 5 | 5 |

Table 9 – ASA referrals

14.3 Other Case Work

In addition to formal referrals, the Team supports the ASA with advice to assist them to fulfil their broader functions. Examples of referral and advice work included:

- Three businesses amended their website content following advice from the backstop. One related to VAT/pricing and others efficacy claims for alternative therapies.
- A referral relating to a catalogue business that has repeatedly breached the CAP code. This links to work being undertaken by the NTS Scams Team.
- Influencer’s misleading prize draws and CPRs.
- eScooter retailer’s website depictions of use on highway and CPRs.

- ASA sector compliance project on IVF.
- ASA response to proposed international advertising guidance.
- Promotion of Primary Authority as a route to improving compliance.
- Facilitation of liaison between ASA, City of London TS, and the Republic of Ireland CCPC.
- ASA published ruling on a subscription trap on an online course.
- Support for the ASA Pricing in Advertising Expert Group.
- Advice on dealing with CEASE therapy referrals submitted to ASA.
- Assistance with a licensing complaint/Westminster TS.

Following unresponsiveness to suspension requests (registrar and host) relating to a .net site , the NTS eCrime Team continue to examine the legitimacy of a host who is based in the UK.

The ASA also referred two issues to the NTS Estate and Lettings Team:

- Canvassing for new business by a letting agent. The complaint was that the marketing purpose of the communication was not made obvious; the letter was hand delivered in a plain envelope canvassing for landlords with property to join their “guaranteed rent” scheme. The complaint to the ASA was upheld and the advertiser agreed to refrain from that method of marketing in future. In examining the complaint, it was also discovered further issues with the company e.g. claiming memberships of professional organisations to which it was no longer a member. This was referred to the local authority for their investigation.
- A property raffle complaint that the ASA had received as a result of a complaint about the advertising. Property raffles remain prominent, with TV commercials and online adverts, often advertising high value properties with additional prizes like cars included within the promotion. In this case the business advised that they would no longer be undertaking property raffles.

All referred cases appear on the ASA website.

Chapter 15 - Animal Health

15.1 Background

ACTSO provides support for animal health and welfare work, funded by APHA using the NTS Programme Office infrastructure. This work comprises: support for the National Animal Health and Welfare Panel; specific project work; and support for local authorities in the case of suspect and confirmed animal disease outbreaks.

15.2 Outbreak Support

The Avian influenza season this year has resulted in an unprecedented level of cases. ACTSO notified and supported local authorities in relation to 96 confirmed cases in England and Wales and a further 82 suspect cases that were subsequently negated. In addition, ACTSO attended 50 National Disease Control Centre meetings.

ACTSO has supported various initiatives this year which aim to improve the effectiveness of the local authority outbreak response. Feedback on the lessons learned from all affected local authorities have been submitted to Defra and APHA to inform their formal lessons learned process. ACTSO has completed a scoping exercise for a project in 22/23 to update the contingency planning documents and annex relating to Avian Influenza.

15.3 Projects and policy support

TB compliance: Last year guidance was developed on how local authorities can use the APHA provided intelligence on 'persistent herds' to prioritise on farm visits funded through the FSA Feed delivery programme. The final guidance was published on the Khub feed and Animal health Hubs in April 2021.

Animal Health Intelligence guidance: This was published on the Khub and ACTSO website in October 2021.

Update Framework agreement: The updated Framework Agreement has been published. This includes all necessary updates to reflect the official controls

regulations (OCR) and it is ready for DEFRA, LGA, ACTSO, NAHWP, APHA agreement.

Cleansing and disinfection: A project was undertaken to gain intelligence on the compliance picture on cleansing and disinfection at livestock markets. A survey was completed with audit reports being submitted. A draft report was submitted to Defra and it will be finalised in April once they have had an opportunity to comment.

Illegal animal imports: Guidance was completed and published on the Khub and circulated to Heads of Service in March. This includes an escalation process to assist local authorities in securing a quarantine place. The outcomes of this will be reviewed in nine months.

15.4 2022-23 Plans

The contract with APHA has been renewed for 22/23. As well as continued outbreak support and support for the Panel, there will be a project to update animal disease contingency plans and to develop guidance on how to identify, inspect, and deal with legal, and illegal collection centres.

Chapter 16 – Illicit Tobacco

16.1 Background

This report provides a summary of activity undertaken by regional groups of Trading Standards authorities as part of Operation CeCe from 1st April 2021 – 31st March 2022. It includes seizure data and a brief overview of the three short reports produced by Trading Standards. All actions have been undertaken with the purpose of disrupting the trade in illegal tobacco at local level.

16.2 National Seizures

Total revenue value of products seized by Trading Standards: £ 7,823,176.18

All regions participated in this Operation; the following charts and tables summarise the seizure data for the year.

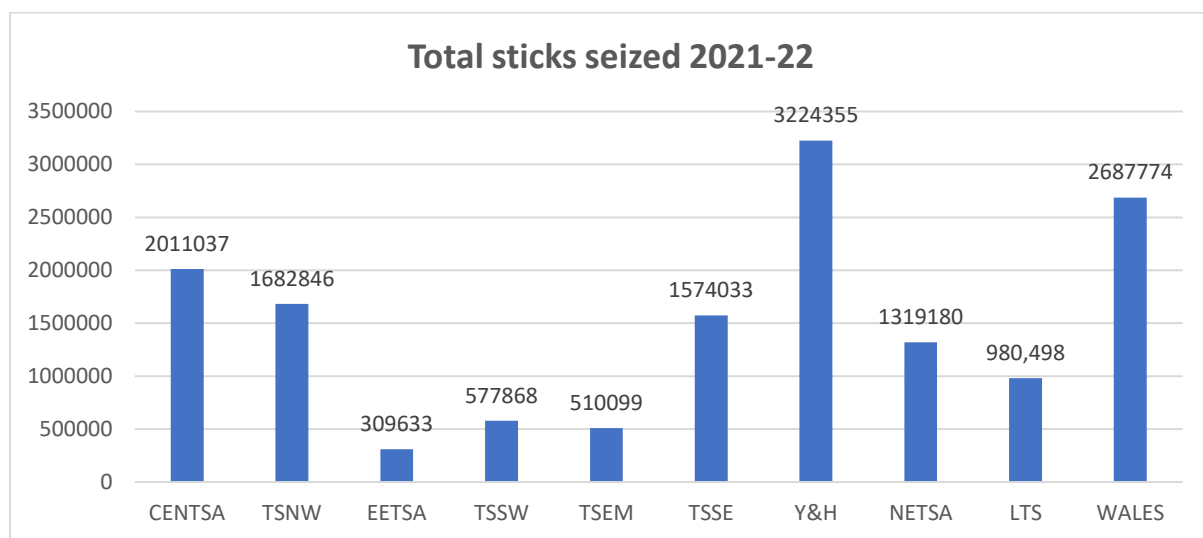


Figure 4 – Total Number Sticks Seized

Total number of sticks seized : 14,877,323 – revenue value £ 6,144,334.40

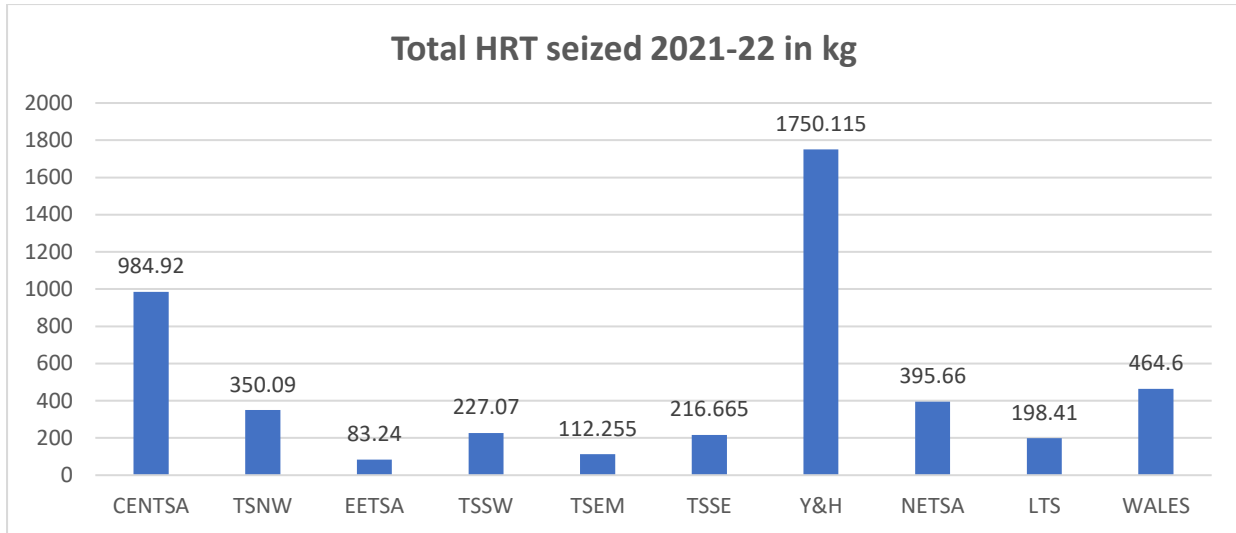


Figure 5 – Total Quantity of Hand Rolling Tobacco Seized

Total quantity of HRT seized : 4783.025kg – revenue value £ 1,678,841.78

16.3 Regional Seizures

The following tables show the levels of seizures in each Region and Wales:

| Region | Total Sticks seized Q1 | Total sticks seized Q2 | Total sticks seized Q3 | Total Sticks seized Q4 | Total sticks seized 2021-22 |
|--------------|------------------------|------------------------|------------------------|------------------------|-----------------------------|
| CENTSA | 1067874 | 420370 | 257,620 | 265173 | 2011037 |
| TSNW | 213277 | 345021 | 577810 | 546738 | 1682846 |
| EETSA | 65532 | 155914 | 32,792 | 55395 | 309633 |
| TSSW | 207600 | 46860 | 213328 | 110080 | 577868 |
| TSEM | 62290 | 110820 | 193680 | 143309 | 510099 |
| TSSE | 165220 | 169773 | 1126020 | 113020 | 1574033 |
| Y&H | 227215 | 604159 | 1110205 | 1282776 | 3224355 |
| NETSA | 54960 | 291740 | 296860 | 675620 | 1319180 |
| LTS | 48373 | 269649 | 127,847 | 534629 | 980,498 |
| WALES | 612596 | 318220 | 1610460 | 146,498 | 2687774 |
| Total | 2724937 | 2732526 | 5546622 | 3873238 | 14877323 |

Table 10 – Stick Seizures by Region

| Region | Total HRT seized Q1 | Total HRT seized Q2 | Total HRT seized Q3 | Total HRT seized Q4 | Total HRT seized to date |
|--------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
| CENTSA | 769.39 | 80.4 | 79.9 | 55.23 | 984.92 |
| TSNW | 43.8 | 77.83 | 94.92 | 133.54 | 350.09 |
| EETSA | 12.1 | 38.16 | 16.2 | 16.78 | 83.24 |
| TSSW | 29.5 | 30.1 | 105.3 | 62.17 | 227.07 |
| TSEM | 18.05 | 17.8 | 23.65 | 52.755 | 112.255 |
| TSSE | 63.275 | 23.8 | 98.04 | 31.55 | 216.665 |
| Y&H | 74.805 | 238.8 | 1143.03 | 293.48 | 1750.115 |
| NETSA | 11.7 | 61.4 | 62.16 | 260.4 | 395.66 |
| LTS | 27.55 | 48.64 | 14.63 | 107.59 | 198.41 |
| WALES | 82.6 | 86.6 | 192.5 | 102.9 | 464.6 |
| Total | 1132.77 | 703.53 | 1830.33 | 1116.395 | 4783.025 |

Table 11 – Total Hand Rolling Tobacco Seized by Region

16.4 Additional reports

In addition to the seizure activity that has taken place, three short reports have been produced to highlight particular areas of concern and to share good practice with all Trading Standards colleagues. These reports were supported by additional funding made available in January 2022 from the Asset Recovery Incentive Scheme – ARIS funding.

Tab Houses – produced by TSNE: “Tab houses” is a term used colloquially in the North East for residential properties from which illicit tobacco is sold. The North East have been aware of and taking enforcement action against “tab houses” for at least the last 13 years. Trading Standards teams have had success dealing with “tab houses” but enforcement action against residential sellers does come with a number of challenges. The report outlines the approach taken in the North East to tackling this issue.

Supply of tobacco via Social Media – produced by TSSE: Trading Standards authorities often receive intelligence regarding the sale of tobacco via social media platforms such as Facebook. Unlike sales from physical shops, it is recognised that there are certain difficulties in identifying a target, obtaining evidence of sales and successfully carrying out disruption. As part of planned Operation CeCe activity for 2021-22, authorities in the TSSE region undertook to identify the scale of the problem, identify targets within the region and target some enforcement activity to these distributors. The report details the approach taken.

Illegal shisha supply - produced by LTS: The use and sale of shisha products affects most boroughs in London, but with North London proving to have a specific

problem, with sale at retail level, shisha Cafes and wholesale sale of products. There is also an organised crime aspect to shisha use with the illegal importation and manufacture of products centering around London based OCGs. The report outlines the nature and scale of the problem in London.

All of these reports have been shared with all authorities in England and Wales.

16.5 Operation CeCe 2022-23

Funding for Operation CeCe has been agreed for the next three years at £800k for each year. It is hoped that further additional funds may be made available via the ARIS scheme but this is subject to a separate prioritisation and authorisation process within HMRC. NTS continues to work with HMRC and regional Trading Standards colleagues to ensure that the objectives of this work are met.

Chapter 17 – Knife Crime

17.1 Background

Between November 2018 and March 2020, the Home Office provided funds to NTS to carry out some focused work in relation to the underage sales of knives. The remaining prosecutions on the online work continued to take place with the final conviction secured in June 2021.

17.2 On-Line Test Purchasing

Work carried out by Croydon Trading Standards between 2018 and 2021 involved 100 attempted test purchases of knives being sold to children online, which led to 41 sales, 17 prosecutions and 17 convictions.

The final hearing took place on 1st June 2021 and Extreme GB Ltd was found guilty and fined £10,000 with £15,000 costs. This case took the total fines against defendants for online sales of knives to children under this project to £179,755.

Prior to this work there had been no prosecutions taken by Trading Standards for online knife sales to children. The fact that all 17 prosecutions resulted in guilty outcomes for the defendants reflects not just the diligence of the prosecuting authority but also the seriousness with which the Courts treat this offence. These outcomes create a precedent for future work in this area and NTS will continue to work with the Home Office to secure future funding.

Annex 1 – Detriment Calculations

Detriment figures quoted in the introduction to this report, relating to BEIS funded work, are calculated as the sum of the following:

Consumer & Business Detriment avoided through NTS Regional Investigation Teams' actions.

This is based on the % of the RITs' contribution x Team x value of intervention and includes retail value of seized goods and financial value of complaints that were the subject of the investigation.

Detriment on other NTG supported cases as detailed in referrals/estimated by the prosecuting authority.

Consumer & Business Detriment avoided through NTS Regional eCrime Team's enforcement actions.

This is based on the contribution by the Team x value of intervention and includes retail value of seized goods and financial value of complaints that were subject of the investigation.

Consumer & Business Detriment avoided through NTS Regional eCrime Team' Disruptive activity/Intervention.

This is a new measure as from 21/22 and methodology will be refined. This is calculated using an average reported loss for any domain (web site) or social media content that has been suspended/removed. Available data for consumer reports, both to CitA and Action Fraud, is assessed and an average figure used per reported loss. A multiplier is then applied using the most recent verifiable figure for the % of consumers who suffer a loss actually reporting it. For 21/22 this figure is 15% based on The Victims Commissioner's report of 2021. E.g. if the Team receives 20 consumer reports for a fraudulent web site, of those, there are 10 reports which show a total reported loss of £20,000. The average loss = £2,000. Total loss for all reports = £2000 x 20 = £40,000. Based on this being 15% total detriment = £40000/15x100 = £266,666 for that web site.

Total Savings to consumers by the NTS Scams Team: calculated on the methodology recommended by Optimity2019 report, which is the cumulative value of the following interventions:

- i) Estimated future financial savings (TS' intervention)
- ii) Actual savings to consumers (from money returned)
- iii) Financial saving from effective enforcement disruptions
- iv) Financial savings from Friends Against Scams programmes

The first three use a 'multiplier' to estimate the financial impact: $(£200+£70)/£500 = 0.54$. £200 represents the average cost of physical/emotional harm borne by victims. £70 is the average cost to health services of responding to fraud and £500 is the average financial cost of fraud borne by victims (based on Home Office figures in 2018).

For i. – iii. the estimate of non-financial impacts is equal to the estimate of financial benefits multiplied by 0.54. For every £1 of financial benefit to victims, there is, in addition, £0.54 benefit in health-related impacts.

For iv. the estimate of non-financial impacts is equal to the estimate of financial benefits multiplied by 1.58. For every £1 of financial benefit to victims, there is, in addition, £1.58 benefit in other impacts. Based on $(£1,290-£500)/£500$, £1,290 represents the average cost of fraud and £500 is the average financial cost of fraud borne by victims (based on Home Office figures in 2018).

Financial savings for mailings stopped – for each batch of mails stopped, this is the value of the money 'requested' by the criminal.

These figures are not adjusted for inflation as this is only a multiplier to a current cash value.

Prison sentences quoted include both immediate and suspended sentences.

Published 26 May 2022. For any enquiries about the content of this report. Please email nationaltradingstandards@actso.org.uk or call 0345 608 9515. Alternatively, you can write to National Trading Standards, 1 Sylvan Court, Sylvan Way, Southfields Business Park, Basildon, Essex SS15 6TH.