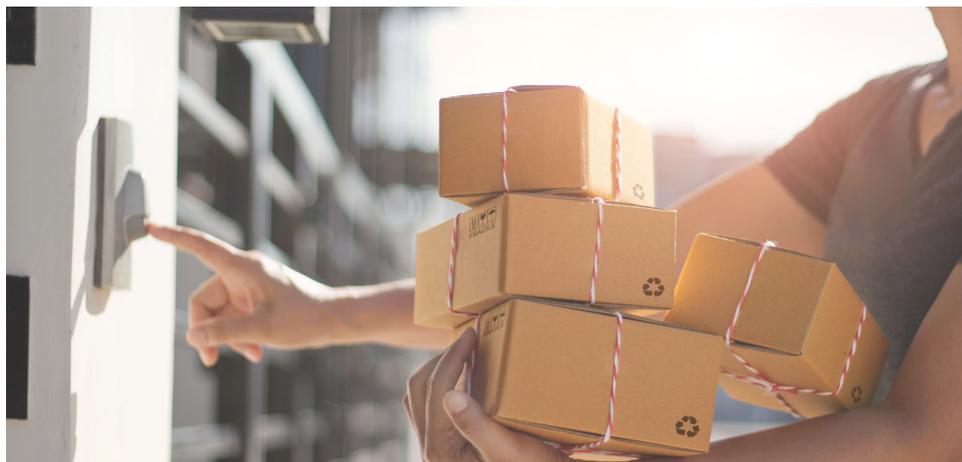
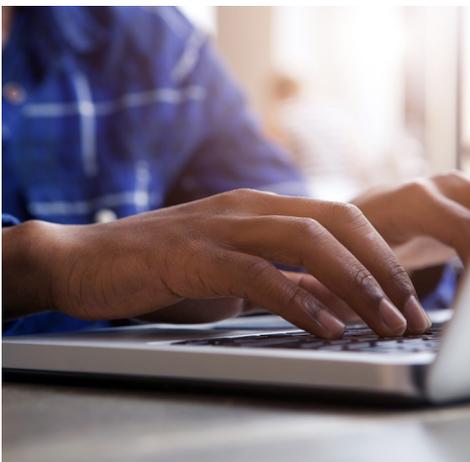


**2018/19**

# THE VALUE OF TRADING STANDARDS REPORT

The impacts and outcomes of local trading standards services

A report by the Association of Chief Trading Standards Officers



## FOREWARD

This report highlights the value of the work of local trading standards services across England and Wales. In previous years, there has been no national data available on the performance of local authority trading standards services and as a result, it has been difficult to demonstrate the impact that trading standards makes. This is why the Association of Chief Trading Standards Officers (ACTSO) has created a method that for the first time assesses the value that local trading standards services deliver. This report (based on feedback from 108 local authority Trading Standards services from a possible 168) contains the highlights from the first year (2018/19). I am delighted by the positive response and the wealth of information and case studies provided.

Already it is clear that calculating this data for the first time pulls back the curtain on the fantastic work being done by trading standards services across England and Wales. From preventing £42 million in consumer harm to seizing over £20 million worth of unsafe and counterfeit goods to prosecuting more than 1,000 criminals, trading standards services are making a real difference to the communities they serve.

What's more this impact is being delivered against a backdrop of local government austerity that has hit many trading standards services hard, with an average 50% fall in budgets over the last seven years (CTSI Workforce Survey, 2017).

I hope that this report demonstrates the breadth of good work that is going on and serves as a reminder of the enormous impact trading standards officers have on the lives of people across the country. The public and government should be assured that we have local authority trading standards services, working alongside National Trading Standards, that the country can be proud of.

Looking forward, there are many challenges on the horizon for trading standards. Consumers continue to take their custom away from the high street and on to the internet, resulting in a more challenging consumer landscape and an increase in cross-border transactions. In many sectors rogue traders and scams are becoming even more sophisticated and the most vulnerable in our communities are often directly targeted. In addition, the uncertainty around the UK's exit from the European Union's single market may lead to a divergence in regulation and trading standards will need to adapt to the evolving situation. In the meantime, ACTSO will continue to champion the work of these services and those tireless individuals who put their heart and soul into protecting the public and supporting businesses every working day.

In the following few chapters, you will get a sense of the exceptional work delivered by trading standards services in three key areas: Tackling detriment and preventing harm, supporting the local economy and promoting health and wellbeing. I am sure this will give you a useful insight into the hard work and indisputable value of local trading standards services.



**Trish Caldwell**  
Chair of the Association of Chief Trading Standards Officers

## CHAPTER 1: TACKLING DETRIMENT AND PREVENTING HARM

Halting criminal behaviour and bringing to justice those who break the law is a core part of the work of trading standards services. Prosecutions may be brought by trading standards officers for a wide range of offences, from rogue trading to defrauding consumers to neglecting livestock. Many of these investigations are complex and can take several years to bring to trial.

At the heart of every case is protecting the public from serious harm, both financial and non-financial. Trading standards always works hard to ensure victims get the care and support they need to help them recover from a crime. Trading Standards services receive around 500,000 complaints and service demands each year from local residents. The National Audit Office estimate that the true value of consumer detriment is £14.8 billion annually.

To tackle this huge level of consumer harm local authority Trading Standards budgets have fallen by around 50% in recent years. The services responding to this survey employed a total of 1,500 people across 108 local authorities, with a combined budget of £61.5 million.

In 2018/19, the work of trading standards services has seen:

- **Over 1,100** defendants prosecuted
- At least **£42.6m** detriment prevented by trading standards activity
- Almost **£4.9m** in Proceeds of Crime recovered
- **£26.8m** not handed over to criminals through rapid response
- **Over 11,000** scam victims supported



### Stopping fraudulent, illegal and unfair trading

A key role of trading standards services is to prosecute those individuals who cause significant harm by repeatedly breaking the law. In many serious cases, laws enforced by trading standards carry criminal sentences whilst other sanctions include fines and recovering the proceeds of crime where criminally acquired money is used to fund a lavish lifestyle.

In less serious cases, businesses can be required to give an undertaking to halt harmful activities. In 2018/19:

- **1,108** defendants were prosecuted
- In total, prison sentences of **209.35** years were handed down
- Suspended prison sentences of **108.05** years were handed down
- Defendants were ordered to pay **£1,259,532** in fines and **£1,482,962** in costs
- Defendants were ordered to pay **£4,864,539** in Proceeds of Crime
- **54** businesses gave undertakings to desist from unfair or illegal conduct



### Case study: Cold calling targeting elderly residents

In 2015 Swansea trading standards service began an investigation of a call centre operating in Swansea which cold called consumers across the UK. Callers offered a free boiler to any consumer who owned their own home and had a boiler over seven years old, taking an upfront fee of £300-400 in each case. They used pressure selling tactics and targeted elderly consumers, falsely advising them that government funding was available to pay for the boilers for a limited time.

Out of 1,200 customers only three boilers were installed, all with a finance agreement placed on them. After a complex investigation, the Directors and Manager were found guilty of conspiracy to defraud – contrary to common law. The Directors were sentenced to 45 months custody; the Manager received 17 months custody.

## Detriment and redress

Supporting victims is of paramount importance to local trading standards services. Where victims have suffered at the hands of criminals, redress and compensation can be secured

In 2018/19 the results of preventative actions, such as rapid response to doorstep crime incidents where officers actively prevented potential victims from handing over cash or cheques to criminals, and interventions where officers supported people to help them obtain redress, included:

- **42,596,184** in consumer detriment prevented
- **£1,983,942** compensation for victims awarded by the courts
- **£26,811,138** not handed over to criminals
- **£1,020,248** gained for victims after officers spoke to a business on their behalf and the value of any free repairs or replacements resulting from these interventions



### Case study: Fraud and money laundering

A rogue trader in Kent conned thousands of pounds out of almost 20 victims by pressure-selling concrete driveways and patios. The fraud was sophisticated, persistent, carefully planned and professionally executed, many of his victims were elderly or vulnerable.

The trader made claims that were completely false or created a false impression such as that the company had been established for over twenty-five years and had completed major works at well-known sites to encourage his victims to enter into contracts with his company. He used a variety of aliases in correspondence with customers to give the impression of a large company with multiple departments, despite being a one-man band. When his victims made complaints to the business they were threatened with court action or ignored, in total 19 victims lost a total of £30,000.

Kent trading standards prosecuted and the rogue trader pleaded guilty to nineteen offences of fraud and one of money laundering. He was banned from being a company director and sentenced to more than three years imprisonment.

### Case study: Grooming vulnerable victims

Trading standards officers at Royal Greenwich borough council prevented two vulnerable siblings, a brother and sister, from losing their house to criminals. Over a number of years, the pair in their 50s, had been befriended and groomed by a known rogue trader who eventually attempted to purchase their property, valued at £400,000, for just £30,000.

Not only did the man attempt to befriend the pair but he knew the parents of the two victims and used this relationship to portray himself as a friend of the family. When the siblings visited the bank with the criminal and requested a mortgage statement with a view to selling the house, bank staff fortunately alerted trading standards despite the siblings believing they were selling their house to a close family friend. The officers pursued the case tirelessly to prevent the worst from happening and safeguard the family's property and stop the sale.

Royal Greenwich trading standards had to take special measures to control the finances of the victims who refused to believe (and still refuse to) that they were embroiled in a scam. An appointee has been put in place to help the victims manage their finances in future.

## Supporting scam victims

Fraud is now recognised as the most prevalent crime in the UK and trading standards services play a vital role in identifying and supporting the silent victims of this crime. Through investigative and disruptive work, trading standards obtains lists of victims which have been sold to criminals to enable fraud. Officers will reach out to these victims, often visiting them at home, to ensure they get the support they need to stop them responding to scams and improve their wellbeing.

Key results in 2018/19 included:

- **11,189** potential victims of scams were identified by the National Trading Standards Scams Team from seized victim lists
- A further **7,188** victims were identified by local authority trading standards services and their partners
- Local authority trading standards provided support to **11,425** victims
- These victims saved at least **£4,263,933** as a result of trading standards' interventions



In addition to investigative and disruptive work, many local authority trading standards work on a preventative basis to support individuals before they become scam victims. For example, local authorities can install call blockers which help to identify scammers and prevent them from ever contacting vulnerable individuals in the first place. Trading standards officers also collect scam mail from people's houses - this supports both the individual, who may be inundated with correspondence from different companies, whilst also collecting intelligence on who is being targeted by what scams.

### Case study: Supporting people who have fallen victim to fraud

#### Devon, Somerset and Torbay

A 99-year-old gentleman with Alzheimer's was being bombarded with catalogues for food supplements. The cost of the products was extortionate and he was being charged large amounts for postage. The house was filled with these products, most out of date and not meeting the labelling requirements for food supplements. With the support of trading standards officers, he was able to reduce his purchases over a period of time and provided with further support from adult social care and his GP regarding his diet and wellbeing.

#### Essex

One elderly victim of "romance" scams had lost an estimated £350-400,000 to a series of scams over a long period. No enforcement work was possible as the recipients were based in Russia and Africa, however trading standards officers were able to intervene and support the victim, preventing further losses.

#### Halton

Halton trading standards established a Breakfast Club for scam victims to share their experiences and support each other. This initiative is designed to tackle the loneliness and social isolation that can be an exacerbating factor in fraud cases. Information about local clubs, activities and community events is shared and a number of attendees have now formed friendships outside the club.

## CHAPTER 2: SUPPORTING THE LOCAL ECONOMY

An important part of trading standards services is the support and advice provided to businesses operating in a complex global marketplace. While most businesses are keen to work within the law and want to ensure their products are safe, the landscape can be complicated to navigate. To support legitimate businesses, trading standards offers advice and training on consumer protection legislation as well as policing the marketplace to safeguard businesses and ensure that companies are operating on a level playing field.

Key Statistics in 2018/19 included:

- **13,615** responses to requests for advice by businesses
- **31,220** visits to businesses
- More than **43,000** individual complaints where the case was investigated
- Just under **20,000** businesses are part of a trading standards supported trader approval scheme



### Making sure businesses get the help and support they need to thrive and grow

With local economic growth a key priority for all local authorities, providing advice and support to businesses is more important than ever. Trading standards services across England and Wales provide advice to businesses on legislation, including fair trading and pricing, labelling and product safety. Many authorities also offer free advice to new businesses, ironing out any questions around fair trading practices before they become an issue. Many offer chargeable advice based on cost recovery.

Businesses can also enter formal partnerships called Primary Authority Partnerships. This is where a business chooses a single local authority, known as the primary authority, to provide them with consistent and assured regulatory advice that makes it simpler and easier to comply with environmental health, trading standards and fire safety legislation. Officers from other local authorities must respect this assured advice when regulating a business and, where there are disputes over interpretation, a process exists to resolve this. The benefit to business is greater confidence in their regulated activities and a reduced risk of contravening legislation. Some partnerships cover many thousand businesses as part of trade associations.

In 2018/19:

- Trading standards responded to over **13,615** requests for advice from businesses
- **866** Primary Authority Partnerships are in operation, covering almost **90,000** businesses.
- Over **20,776** hours were spent by trading standards advising Primary Authority businesses
- **31,220** visits were carried out to businesses to ensure they comply with the law and provide advice to help them fix any non-compliances.



### Feedback from Primary Authority Partners on the benefits of trading standards advice

#### Buckinghamshire and Surrey

'The team have been brilliant in implementing and supporting the business processes... Their willingness to be flexible and consider new approaches to address business challenges has been really valuable... The projects have been delivering a genuine reduction in the regulatory burden on our business operations nationwide.'

– **Martin Watkins, UK Operations Manager, Shell UK Oil Products Ltd.**

#### Nottinghamshire

'Facing potential disruption to a major area of sales we sought help. [Trading standards] were fantastically supportive and once past the initial issues we recognised the positive impact they could have in other areas of the business to save time, money and give greater assurance to management.'

– **Liam Gill, Operations Director JFT**

### Creating and maintaining a level playing field for safe and fair competition

Trading standards services follow an intelligence-led model to ensure work is focused on the highest risks and action is taken against the highest risk businesses. Information gathering can include complaints from the public, information from businesses and local authority partners or reports on internet review sites. Visits are also undertaken by trading standards services to individuals and business. These can be to provide advice and information, seize counterfeit or unsafe products, or, in the most serious cases, to begin an investigation.

Trading standards also supports legitimate businesses through good trader schemes which can help promote their businesses by adding a trusted endorsement – a survey by one local authority found that 87% of members felt the scheme helped their business by increasing customer numbers by up to 20%. Such schemes enable residents to choose a reputable business with confidence and to avoid rogue traders.

In 2018/19:

- **4,256,542** counterfeit products seized, with a market value of **£21,251,390**
- Trading standards directly investigated **43,238** complaints
- **38,930** businesses were reviewed during tasking processes designed to identify the highest risk businesses
- **18,192** businesses were subject to an intervention, such as advice, investigation or referral
- **19,522** businesses were members of a trusted trader scheme run or supported by trading standards



The restriction of counterfeit goods is an important part of protecting individuals and businesses from organised international criminal activity. Occasionally, the supply of counterfeit goods is seen as a victimless crime, in reality the counterfeit goods market costs people jobs and puts the safety of individuals at risk. Local authorities have a legal duty to tackle these criminals and it is trading standards teams who are at the forefront of this battle.

### Case study: Counterfeit goods

Tackling product counterfeiting often has wider positive benefits for local communities and local businesses.

During October 2018, Camden trading standards officers recovered £500,000 of counterfeit watches during three days of seizures from Camden Market. Often, there is a strong connection between the sale of counterfeit goods and other criminal activity, in this case, as a result of the counterfeit watch seizure, trading standards worked alongside the police to close down five premises which were also selling drugs paraphernalia alongside large quantities of counterfeit goods.

### Case study: Buy with confidence

Buy With Confidence is an excellent example of a trading standards run trader approval scheme.

The scheme operated in 61 local authorities, covering thousands of businesses.

The Buy With Confidence Central Hub, hosted by Devon, Somerset & Torbay Trading Standards, has a dedicated staff that allows increased co-ordination and promotion of the scheme nationally.

## CHAPTER 3: PROMOTING HEALTH AND WELLBEING

Consumers should rightly expect the products they buy to be safe to use and clearly labelled. The last thing anyone wants to worry about is whether a toy will injure one of their children or that they've purchased a flammable sofa which releases toxic fumes as it burns.

Trading standards services work tirelessly to protect consumers by removing unsafe products from supply chains and the marketplace as well as ensuring that food meets standards, is correctly described and is properly labelled and advertised. Additionally, trading standards services work hard to protect young people from age restricted products including tobacco, alcohol and knives.

Key statistics for 2018/19 include:

- Over **1.3m** unsafe products seized or removed from the market, worth an estimated **£16.9m**
- **22%** average failure rate on alcohol test purchases by young people
- More than **15.3m** illegal cigarettes seized
- **£8.7m** value of illegal tobacco products seized



### Ensuring the safety of consumer products

Examples of unsafe consumer products such as exploding hoverboards and overheating tumble driers causing deadly fires have attracted national attention in recent years. To help avoid similar incidents in the future, trading standards services enforce legislation to ensure that products are safe and officers use intelligence to direct sampling exercises and projects which detect and seize unsafe products.

A significant amount of this work, supported by National Trading Standards, takes place at ports and borders, when goods enter the country from those which may have different rules.

Typical products that are seized include chargers for mobile devices, LED lights, travel adaptors, cosmetics, fashion jewellery containing heavy metals, and children's toys. Only a small percentage of non-food products are checked at the point of entry, meaning there are always things for inland authorities to tackle.

In 2018/19:

- **1,342,311** unsafe products were seized or removed from the market place following Trading Standards interventions.
- The value of these products was estimated at **£16,860,544**



### Case study: Unsafe camping stoves

Buckinghamshire and Surrey trading standards prosecuted an importer, wholesaler and retailer after a local man suffered serious burn injuries to his hands, arms and face from a camping stove he had purchased.

None of the three companies had tested the stove but testing by trading standards showed significant safety failings. The three companies in the supply chain were each fined over £10,000 and the consumer was awarded £4,500 in compensation.

### Case study: Dangerous skin lightening creams

Skin lightening creams have emerged as a major product safety issue. Southwark trading standards led an online test purchasing project funded by National Trading Standards.

This resulted in the prosecution of a trader who was selling illegal creams containing up to 17% hydroquinone, a dangerous chemical that can cause skin weakening, liver damage and increase the risk of skin cancer which has been banned in these products since 2001.

Many of the products also had inadequate labelling. The trader had previously been given a suspended sentence in 2015 for similar offences. The trader was given a 20-month prison sentence and order to pay £5,000 in fines.

### Protecting the food chain

Food fraud, including where cheaper ingredients are substituted for the genuine article in order to make a profit, hit the headlines after the horsemeat scandal in 2013. Subsequent studies have found that premium food products, such as manuka honey, have been subject to food fraud. The Elliott review commissioned after the horsemeat scandal warned that criminals were turning to food fraud because of the low rates of detection combined with a high reward.

Food that is misdescribed can be dangerous, containing undeclared allergens, toxic or illegal components. We have seen several cases in recent years where members of the public have died following allergic reactions to a food product containing an undeclared allergen. There have also been reports of a number of near misses where allergen containing foods have been sold to consumers in spite of the consumer specifically asking if the product contained that type of ingredient.

In 2018/19:

- **3,399** businesses were identified as supplying food that was misdescribed, did not correctly declare allergens, contained toxic or illegal components or was involved in food fraud.



Where fatalities or serious near misses occur, it is the work of trading standards officers and their colleagues in Environmental Health to assist Police in ensuring that those responsible are brought to justice.

### Case study: Allergens and food safety

In 2018, in Essex, officers responded to over 20 allergen complaints from the public, some very serious and resulting in anaphylaxis and hospital admission.

Officers test purchased food at 40 premises and found 40% failed when asked to provide meals which did not contain a named allergen. Following advice and training, all but one business passed the second test purchase.

### Case study: Food fraud

Officers in West Sussex discovered fake saffron during sampling of the product locally and online in 2017. They suspected an issue with the Spanish suppliers and passed the intelligence on to the National Food Crime Unit.

Genuine saffron is an expensive product so there is a high potential for making money from adulteration. As a result of the intelligence from West Sussex, an investigation by the Spanish authorities uncovered a clandestine factory in the Alicante region which was adulterating saffron by mixing genuine fibres with other less valuable plant fibres. 87kg of saffron was seized as part of the investigation, estimated to have a market value of between £600,000 and £750,000.

### Reducing the risk of children accessing age restricted products

Rules that prevent children from buying age-restricted products protect them from harm. Trading standards services enforce these rules by providing training and advice to businesses as well as conducting test purchases. Test purchase schemes may use volunteers under 18 to target the highest risk premises where they attempt to buy a product.

Alcohol and tobacco are key areas of focus, but test purchasing is also conducted for the sale of knives, fireworks and solvents. In the past year, test purchasing schemes included a large project on underage knife sales in partnership with the Home Office.

In 2018/19:

- **2,146** premises were tested for alcohol sales
- The average failure rate for alcohol test purchases was **22%**
- **1,189** premises were tested for tobacco sales
- The average failure rate for tobacco test purchases was **10%**
- **2,382** premises were tested for other products (including knives)
- The average failure rate was **22%**

## Reducing the availability of illicit products

Illicit tobacco and alcohol is often significantly cheaper than the legitimate product as it avoids paying duty upon entrance into the UK. Another proportion of products on sale are counterfeit products which are cheaply produced cigarettes or tobacco in copied packaging. The presence of such goods in local shops undermines government attempts to reduce levels of smoking as it is price, as well as the health benefits, that pushes people to give up. Moreover, sellers of illicit goods often have little concern for observing the law on underage sales. As a result, products are more easily available to children, damaging attempts to prevent underage smoking and drinking.

Illicit products are not manufactured in regulated environments resulting in limited controls on their composition. Illicit alcohol may contain excessive quantities of methanol which can cause blindness and even death whilst counterfeit cigarettes may not be designed to self-

extinguish, increasing the risk of fires in the home which can be fatal. Also, as with other counterfeit goods, sales of illicit tobacco and alcohol are often linked to other offences. The case study mentioned below shows a link to modern slavery but officers have found links to other organised criminal activity such as money laundering through the sale of illegal products.

In 2018/19:

- Illicit tobacco was seized from **944** premises
- **15,331,050** illicit cigarettes were seized, worth an estimated **£7,665,525**
- **3,444,012** grams of illicit hand-rolling tobacco was seized, worth **£1,033,203**
- **72,274** niche tobacco products (including shisha) was seized, worth at least **£35,898**
- Illicit alcohol was seized from **85** premises
- **49,480** litres of alcohol was seized



## Alcohol case study



The detection of trading standards offences can lead to the discovery of other illegal activities. Southwark trading standards were investigating a Peckham convenience store for breach of its licensing conditions when they discovered a broom cupboard containing a filthy mattress and small fan for ventilation which was housing two illegal workers, paid well below the minimum wage.

The conditions were described by the District Judge as akin to modern slavery. During this and follow up visits the council uncovered the sale of smuggled super strength lagers and the store failed a test purchase by selling alcohol to a 17-year-old. The owners of the store were prosecuted in 2018 and ordered to pay £11,000 in costs as well as a £10,000 penalty issued by the Home Office for employing illegal workers.

## Tobacco case study



After an initial seizure of illicit tobacco at premises in Hertfordshire, complaints continued to be made to trading standards. A test purchase resulted in the sale of more illicit products. An immediate inspection by officers did not find any tobacco. A tobacco detection dog was needed to uncover an extremely elaborate concealment system involving a hole cut through the wall to an adjacent building, where a person was locked without facilities from 8am to 8pm.

When officers entered the adjacent building, they found a person sitting near a boiler cooking food and smoking. Had there been a fire the person would have been trapped. There were no toilet or wash facilities within the building. The resulting seizure was the largest single seizure made by Hertfordshire trading standards.

## Illicit tobacco case study



Evidence from trading standards suggests that in most cases of tobacco seizures, the shops were restocked and selling the next day. Medway trading standards has devised an innovative solution to this problem by reducing the availability of premises to criminals. Relying on the money laundering provisions of the Proceeds of Crime Act, they contact landlords explaining that the rent they receive from these shops is criminal property.

This has resulted in the termination of eight tenancies where the criminals selling illegal tobacco have been removed from their retail shops. The team have received positive feedback from legitimate local traders who have seen old customers returning after long periods.

