

**SOCIAL CARE, HEALTH AND HOUSING
SCRUTINY COMMITTEE**

**REPORT OF THE HEAD OF BUSINESS STRATEGY AND
PUBLIC PROTECTION – A. THOMAS**

27 November 2014

SECTION B - MATTER FOR INFORMATION

WARD(S) AFFECTED: All

TITLE OF REPORT

**ENVIRONMENTAL HEALTH AND TRADING STANDARDS
TACKLING SCAMS**

PURPOSE OF REPORT

To inform Members of the work that the Trading Standards team does to protect vulnerable consumers from scams.

Scam Types

Scams take many forms. This report addresses those scams that any member of the public can be subject to, but which appear to be specifically targeted at the most vulnerable in society and these include :-

- Lottery scams
- Advance Fee Scams (such as the now infamous Nigerian Bank Scam, victims pay money to release a fictitious large sum in return)
- Clairvoyant & Psychics
- Investment Opportunities

- Miracle Health Cures
- Online Dating
- Phishing (e-mail claiming to be from the victims bank and requesting personal or financial details)
- Prize draws and sweepstakes (victims pay or dial a premium rate telephone number to enter)
- Pyramid Selling & Chain Gift Schemes
- Work from home schemes

Intelligence Sharing

Although Trading Standards has significant powers under various pieces of legislation, these businesses can be hard to track down; they may be based abroad, or they may be beyond the resources of a local authority to investigate. Charities such as “Think Jessica” (<http://www.thinkjessica.com/>) help raise awareness amongst the public, but it remains a significant problem.

A list of 160,000 potential scam victims, who live in the UK has come into the possession of East Sussex Trading Standards. Consumers may have inadvertently found themselves on this list by the simple act of ticking or not ticking a box on a form that they have at some point completed. Generally the names and addresses of potential victims are shared between rogue businesses.

The people on these lists are tested for susceptibility to a scheme. The information that can be obtained is very specific, including the age of the person, whether they live alone or if they are disabled. Such information is gathered by a number of means which includes surveys but also will include having fallen for other scams.

Details of repeat victims are circulated by scammers, and the cycle of exploitation and victimisation continues, often with heartbreaking consequences.

In the worst cases, victims get into a routine of answering each letter / e-mail / telephone call and sending money, either cash, or cheque daily, often totaling in the hundreds if not thousands of pounds. It is not uncommon for some victims to have spent their life savings on the false promise of a significant return, selling their possessions to keep up with the demand to enter the latest fake prize draw or lottery. This type of behaviour has been linked to mental illnesses, such as depression.

National Scams Team & Neath Port Talbot

The UK wide National Scams Team was established by the National Trading Standards Board and is hosted by East Sussex Trading Standards. They work in partnership with the other national organisations including Police forces and the National Crime Agency to track down scammers and to seize scam mail and the money that has been tricked out of innocent victims. The types of scams that they have uncovered so far include claims that people have won foreign based lotteries and prize draws or that there are miracle cures and even bogus inheritance claims. Some people have sent money off to these rogue businesses because of the promise of large sums of money or fictitious prizes. In some cases where the scam has been detected the National Scams Team have been able to recover monies paid over by identified victims. Trading Standards Authorities who sign up to assist the Scams Team are sent the list of victims from their area. They are then asked to contact the residents to advise them that it is likely that they have been or still are the victim of a scam, and to report back to the scams team with any further information on the companies involved.

Trading Standards in Neath Port Talbot have been given the names and addresses of 300 NPT residents that appear on the list in East Sussex's possession and our Officers have begun to visit residents in this area. Before the residents were contacted, Trading Standards Officers liaised with and are being supported by Social Care staff, the Police and Age Cymru with a view to assessing the background of the alleged victim, the best means of contact and where possible and permissible advising family members and close friends. Once visited the alleged victim is assisted and either provided with the details of or referred to groups and support networks who will

help “wean” them off the flow of scams coming through the letter box, e-mail inbox and down the telephone line.

The most recent victims are visited first as these are most likely to be still at risk of being a victim of a scam. Reception to the visit by Trading Standards has been mixed, some of the victims will listen and can be helped, whereas others have been found to be stubborn in their refusal to be advised, and are happy to continue to participate in sending money off to what are clearly scams. If the victim is willing, at least two visits are made to them, with the second a follow up to check on their progress, and if not already done so, to refer them onto a support agency where possible.

One victim in this area was an elderly lady from Port Talbot who has allegedly lost over £60,000 to scams such as these over the last 6 years.

On some visits Officers have been able to return un-cashed cheques found during raids on scam company offices to victims.

Information on the results of the Trading Standards visits are passed back to the Scams Team so that it can be disseminated to the appropriate law enforcement agency for further investigation.

Summary

Regrettably scam victims lose millions of pounds per year.

Over time victims become drawn into a lifestyle where much of their time is spent responding to scam letters, telephone calls and emails. Typically money is sent to rogue companies on the understanding that the consumer has won a prize of some sort and that they need to pay an administration or release fee.

Scams can clearly be seen to place extra strain on the services that support vulnerable adults such as Social Services and the NHS, Trading Standards and the Police. Those affected will likely suffer from stress or depression and they may not look after themselves properly.

This is significant and vital work for Trading Standards authorities, which has a direct bearing on the vulnerable within the county borough.

List of Background Papers

None

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