

REPORT TO: Health and Wellbeing Board

DATE: 10th July 2024

REPORTING OFFICER: Director of Public Health

PORTFOLIO: Health and Wellbeing
Community Safety

SUBJECT: Trading Standards Service update

WARD(S) Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide the Board with an update on some of the work of the Trading Standards service and the contribution this work makes in protecting public health and children and vulnerable adults from harm.

2.0 RECOMMENDATION: That the Board:

- i) note the report;**
- ii) endorse the approach to doorstep crime and illegal money lending;**
- iii) endorse the multifaceted approach to both prosecute and disrupt illegal activity by seizing illegal and illicit products to remove them from the market; and**
- iv) Encourage partners sign up to and share the iCan alert system.**

3.0 SUPPORTING INFORMATION

3.1 The Trading Standards team provides a wide range of statutory services to protect consumers and legitimate businesses from unfair, misleading or unsafe trading practices. These services include, (but are not limited to) weights and measures, product safety, age restricted sales, explosives, scams awareness, fair trading, doorstep crime, counterfeit and illicit goods - including tobacco and vapes.

The team also provide an enhanced consumer advice service to help consumers enforce their own civil consumer rights.

The work of the team is intelligence led and focussed on risk, ensuring that resources are targeted at those products and business that pose the greatest risk to consumers.

3.2 This report will focus on those services that contribute to protecting

public health and safeguarding children and adults.

3.3 Scams Awareness

Anyone can become the victim of a scam but vulnerable adults who are experiencing isolation, bereavement or trauma are particularly susceptible. Scams can originate through the post, by email or over the phone. Many scams originate abroad and so in many cases it is not possible to identify a perpetrator. Where a UK based perpetrator can be identified the team will liaise with the appropriate agency which may include the National Trading Standards Scams Team and the Police when considering the appropriate investigatory and enforcement action.

The focus of the service is to provide the public with advice to prevent them becoming the victim of a scam. If a potential scam victim is identified the team will work closely with the individual to prevent that person becoming a repeat victim. Statistics show that once a victim has fallen foul of a scam they are twice as likely to be targeted again. Scam victims are more likely to need care in the home or end up in a care home, often as an additional cost to the local authority.

The team have developed referral routes with the police, Age UK and the council's complex care teams. Awareness sessions have been provided to adult social care staff on how to identify individuals who may be vulnerable to scams and referral routes to trading standards. Further sessions are being delivered to the elderly and vulnerable throughout the Borough to increase awareness and prevent them becoming the victim of a scam.

3.3.1 Scams Case Study

An elderly resident lost £4000 to a friendship scam. These scams are essentially a form of grooming whereby the perpetrator befriends the victim online, usually via social media. Once they have gained the trust and confidence of the victim they start to request large sums of money. In this case regular support visits were made to prevent the resident becoming a repeat victim. Referrals were made to adult safeguarding and Age UK. The resident has recovered well from the incident and is continuing to live independently in the community.

3.4 Doorstep Crime

Doorstep crime involves residents, who are often elderly and vulnerable, being pressured into agreeing to work on their property. This can arise from a cold call at their door, or by the victim making contact with a trader that appears to be legitimate. The work is often unnecessary, and what may start off as a small amount of work

ends in the victim being pressured into further work, which is carried out to a poor standard, of little or no value, or not done at all. The traders will often demand payment in cash and the price charged is often significantly higher than the true cost or value of the work undertaken. In many cases the price will rise, and the trader will make further demands for payment by exerting pressure or becoming aggressive. In some cases, the trader will offer to take the victim to the bank to coerce them into making a payment.

The team respond to many cases of doorstep crime a year. The numbers fluctuate and vary over the seasons. For example, in the summer there is often a spate of gardening and driveway complaints, or in the winter following poor weather there may be an increase in roofing complaints. If a call is made that there are suspected rogue traders at a consumer's property then a rapid response visit is carried out, alongside the Police to intervene. This is to safeguard the victim, prevent any money being handed over, and where necessary arrest any suspects for further investigation.

The team investigate all complaints, and where an offender can be identified, will consider criminal action for any potential fraud or consumer protection offences. Where fraud or theft is suspected the police may also investigate. The majority of doorstep crime offenders operate across borders, and many are linked to serious organised criminality. The team liaise with neighbouring Trading Standards teams and partner agencies to ensure that intelligence is gathered and shared, and any enforcement action is coordinated, and prosecution cases are joined where necessary.

Banks that are signed up to the Banking Protocol are trained to alert the police and/or trading standards if they spot unusual transactions, for example a consumer making large cash withdrawals for home improvement work. If the Protocol is invoked, then the consumer will be prevented from withdrawing the money.

3.4.1 Doorstep crime case studies

1. A 90-year-old Widnes man with dementia was targeted by traders who demanded £9500 for work to his driveway. The victim was not aware what work had been agreed to and the trader did not provide the correct paperwork required by law. The police were contacted by the man's relatives after he went to withdraw £2000 in cash to pay the traders. Trading Standards officers took over the case and intervened to prevent the victim losing more money and to negotiate a refund of money already paid. The gentleman was provided with a Ring CCTV doorbell as part of a National Trading Standards target hardening scheme to help prevent repeat victims.
2. In another case an elderly victim was advised he needed a new

roof and paid £9,900 to the trader. He was left with water pouring through the ceilings of his home. The work was found to have no value. Following a criminal investigation, it was identified that the trader was committing fraudulent activity across the Northwest and had previous convictions for similar offences. Therefore, the prosecution has been joined with 2 other local authorities at Preston Crown Court. The trader will be sentenced in July and is expected to receive a significant custodial sentence and prevented from trading with a Criminal Behaviour Order on release. The team are also assisting the consumer in obtaining a refund from their bank through the Financial Ombudsman Service.

3.5 **Illegal Money Lending**

Any individual or company providing financial services, such as loans or credit must be authorised by the Financial Conduct Authority. Any loans or credit made must be in accordance with the Consumer Credit Act 1974. Although councils have powers to enforce these provisions, in England all local authorities have delegated these powers to Birmingham City Council who operate the national Illegal Money Lending Team (IMLT)

The IMLT investigate and prosecute illegal money lenders and provide emotional and financial support to victims.

Illegal money lenders, commonly known as Loan Sharks, lend money often in cash at vastly inflated rates of interest with no paperwork and none of the protections provided by the Consumer Credit Act. Repayments are often demanded with threats of violence and interest and additional payment requests made arbitrarily. Victims will often end up paying many multiples more than the original sum owed. This cycle of debt can have a significant impact on a victim's mental health, and there have been cases, including in Halton, where sadly victims have taken their own life.

Research by the IMLT indicates that 33% of loans made by loan sharks are to fund household bills including energy and food.

Loan sharks can be reported through the IMLT's Stop Lone Sharks Website. [Home - Stop Loan Sharks](#) the site also provides advice and guidance to support and encourage victims to come forward and report loan sharks.

The Trading Standards team receive regular updates on the work of the IMLT and support this work by signposting people to the stop loan sharks website and sources of advice and support such as CAB and Credit Union.

There has been no recent enforcement action in Halton but in 2022

a Widnes woman was arrested on suspicion of illegal money lending and money laundering in a joint operation between the police and the IMLT.

The IMLT have also undertaken a number of projects in Halton to raise awareness of loan sharks. This has included a recent arts project with Ormiston Bolingbroke Academy and the “Sharks in the Park” art trail around Phoenix Park.

3.6 **Tobacco and Vapes**

The team have a range of powers to deal with the risks posed by illicit tobacco and vapes.

The trade in illicit tobacco involves a range of products that may be counterfeit or illegally imported that are sold illegally without the payment of VAT or excise duty. These products are sold at a fraction, often just a third of the price, of legitimate products. By evading taxation these products undermine the principal public health control on tobacco consumption. Through a combination of taxation and other legislation, such as the ban on smoking indoors, the rate of people smoking has reduced from 26% in 2000 to 13% in 2023. Illicit tobacco risks reversing the significant public health progress that has been made.

Over half of all smokers of illicit tobacco come from the most deprived socioeconomic groups. (source Gov.uk). The health risks associated with tobacco consumption are well documented. The sale of illicit tobacco therefore compounds the health inequalities experienced by these groups.

According to data published by Action on Smoking and Health (ASH), a public charity established by the Royal College of Physicians, it is estimated that smoking costs the economy of Halton £111.7m each year. These costs are made up of:

- £70.3m due to productivity loss.
- £36.4m Social Care costs, which includes the cost of informal care met by family and friends,
- £4.4m for Healthcare, including hospital admissions and treatment by primary care services.

Vape products were developed by the tobacco industry in response to the indoor smoking ban which was introduced in the UK in 2007. Since their launch, vape products have been viewed as far less harmful to health than cigarettes and so have been promoted by public health practitioners as an aid to help people quit smoking.

However, there is now growing concern about the use of vape products by children and adults who have never previously smoked,

thereby exposing them to the risk of becoming addicted to nicotine

Legitimate vape products must be approved by the Medicines Health Care Regulatory Authority (MHRA), to ensure they meet standards relating to health and safety. The quantity and strength of nicotine within the products is also restricted. Illicit products are not MHRA approved and contain illegal quantities of Nicotine.

Test purchasing exercises undertaken by the team have found that shops involved in selling illicit tobacco and vapes have also sold tobacco and vape products to children.

The Trading Standards team have adopted a multi-faceted approach to tackling illicit tobacco and illegal vapes. As well as prosecuting offenders, the team uses intelligence to target premises and disrupt illegal activity by seizing illegal and illicit products to remove them from the market.

Since 2019 the team have seized nearly 120,000 illegal cigarettes with a value of around £101,490.

In 2024 to date the team have seized around 5000 illegal vapes with an estimated value of £35,000

The most recent approach is the use of Closure Orders under the Anti-Social Behaviour Crime and Policing Act 2014 to close premises that are persistently found to sell illegal products, and also sell the illegal products to children.

In addition, the team works closely with partner agencies, to investigate, prosecute and disrupt the criminals. Utilising funding available from the National Trading Standards Op CeCe project, to fund the use of tobacco search dogs and third-party test purchases.

With the introduction of track and trace legislation there are also the additional sanctions for HMRC to fine businesses up to £10,000 for each seizure of illicit tobacco and to remove their ability to sell tobacco. Trading Standards are able to refer cases to HMRC to administer the sanction and provide the valuable intelligence regarding those involved in the illegal manufacture, importation or distribution of tobacco in the UK.

3.6.1 Tobacco and Vapes case study

A retail premises trading as News Rack, in Albert Road, Widnes, was the subject of a lengthy Trading Standards investigation spanning three and a half years, which involved more than twenty complaints from the public. Traders operating at the premises were visited nine times during the period, resulting in three seizures of illegal tobacco and non-compliant vapes, worth thousands of

pounds.

Despite the numerous visits, the seizures, and four warnings issued to the occupants of the premises, the traders continued to sell counterfeit tobacco and illicit vapes, including two test purchases to children under 16.

During the most recent visit in April 2024, Trading Standards Officers seized over £10,000 of counterfeit tobacco and illegal vapes. During this visit the officers, assisted by 'Billy' a Wagtail tobacco seizure dog, uncovered two concealment units hidden behind a mirror and a staircase.

As a result of the continued use of the premises to cause nuisance, and to facilitate criminal activity. Trading Standards successfully obtained a Closure Order at the premises for the maximum permitted time of 3 months. The application was made under The Anti-Social Behaviour, Crime and Policing Act 2014, and means the premises will now remain closed until 14th August 2024. Criminal action may still also be taken against individuals linked to any offences.

3.7 Age restricted sales

The Trading Standards team enforces a range of legislation that places age restrictions on certain products such as alcohol, tobacco, vapes, knives and fireworks. They work with premises selling age restricted products to advise and educate traders and promote age verification schemes such as Challenge 25 to help prevent sales being made to children who are under the legal age.

The team also undertake test purchase operations using child volunteers to test a retailer's system and see if they sell to children. This is targeted at premises where intelligence has been received regarding sales to those underage.

In the past 12 months 3 prosecutions have been successfully concluded at court resulting in 3 convictions and fines handed out. Where further criminality has been identified at those premises, this will also be used as evidence towards other enforcement options, such as in the Newsrack case above. There are also further cases which have not yet been concluded but are in the court system.

3.8 Consumer advice and the Citizens Advice Consumer Helpline

The main route for referrals into the Trading Standards team are via the national The Citizens Advice Consumer Service Helpline (CitA). CitA will provide initial basic advice to the consumer. Cases where there may be a criminal element requiring further investigation are referred on to the team. In addition, Halton is one of a very small

number of local authorities that have retained a consumer advice function. If the consumer helpline has not been able to resolve an issue through the provision of basic advice, or that advice cannot be followed as the consumer has additional support needs, the case will be referred to the consumer advice team in Trading Standards for enhanced consumer advice. This aims to help consumers enforce their own civil consumer rights with support and guidance to secure a refund or redress for faulty or sub-standard goods or services. In some cases, this involves helping consumers prepare cases for the small claims court and liaising with a trader on behalf of the consumer to negotiate.

The civil and criminal team work together to try and obtain redress for the consumer, and also take any enforcement action where needed to prevent further consumer detriment.

The service receives referrals from CitA, and further referrals are also made via partner agencies and departments within the Authority. Last year alone 464 referrals were received from CitA.

In the last 12 months the civil advice service has helped Halton consumers achieve over £78,000 of civil redress, in cases where this would not have otherwise been possible without the intervention of the team.

3.8.1 Consumer advice case studies:

1. The team assisted three consumers who had purchased goods from the same trader, none of whom had received their goods, even though they had paid for them in full. One of the consumers was partially deaf, the second consumer was unemployed and in receipt of benefits, and the third consumer was elderly. The trader was trading as a registered charity and had made false promises to refund the consumers over a prolonged period. Following the intervention of the team, two of the consumers have now received full refunds and work is ongoing to obtain a refund with the third consumer.
2. The team assisted a consumer who had been defrauded out of a considerable sum of money believing that she was paying a solicitor to get her out of a timeshare agreement. The company was untraceable, and the consumer was unable to obtain a refund. The team intervened and were able to help the consumer obtain a full refund through her bank.
3. The team assisted a vulnerable consumer who had been defrauded in a bitcoin scam. The fraudsters took all her life savings. The team supported the consumer in obtaining all the money back via her bank.

4. The team assisted a consumer with pursuing a case through the small claims court where a builder failed to complete building work with reasonable care and skill. The team consulted with the trader to try to resolve the case, to no avail. The team prepared all the court documents for the consumer to pursue her claim in court. The court awarded in the consumer's favour, and she has received a refund.

3.9 iCan Consumer Alert Network

The team operate iCan a popular email alert service to warn consumers, business and community groups of scams and product safety information. There are currently 720 external recipients such as community groups, charities, agencies (such as the police) and members of the general public. iCan messages are also distributed to all HBC council staff and elected members.

The iCan system has been in maintenance in recent months, but it is now fully functioning. The number of iCan messages sent out will steadily increase in the coming weeks and months.

A recent alert was issued to coincide with child safety week to highlight the risks posed to young children from button batteries and laundry tablets.

Individuals or organisations that wish to join iCan should email trading.standards@halton.gov.uk

4.0 POLICY IMPLICATIONS

- 4.1 The Trading Standards functions are statutory services. The Trading Standards team is an integral part of the Public Health department enabling the core Trading Standards functions to contribute to the borough's public health and community safety objectives.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications associated with this report.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

The work of the team to enforce legislation regarding age restricted products such a tobacco, alcohol and knives helps to protect children from the harms caused by these products. The work around product safety and unsafe items such as toys also protects children from harm.

6.2 **Employment, Learning & Skills in Halton**

None identified.

6.3 **A Healthy Halton**

The team's work to tackle illicit tobacco and vapes contributes to the borough's public health objectives in reducing the prevalence of smoking and the harm caused by illicit and illegal products.

6.4 **A Safer Halton**

The team's work to raise awareness of scams, investigate cases of doorstep crime and support victims contributes to the safeguarding of vulnerable adults.

6.5 **Halton's Urban Renewal**

None identified.

7.0 **RISK ANALYSIS**

7.1 There are no significant risks arising from his report

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 None identified.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.