
Tackling Fraud and Unfair Trading

Committee considering report:	Joint Public Protection Committee
Date of Committee:	2 October 2023
Chair of Committee:	Councillor Lee Dillon
Date JMB agreed report:	11 September 2023
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Forward Plan Ref:	JPPC4366

1. Purpose of the Report

- 1.1 To provide the Committee with an update on the work of the Public Protection Service in tackling fraud and financial abuse.

2. Recommendations

The Committee:

- 2.2 **NOTES** the actions taken by the Service to mitigate the impacts of fraud and financial abuse on businesses and residents.
- 2.3 **RESOLVES** that the Committee receive an annual report on service delivery appertaining to this important area of work.

3. Implications and Impact Assessment:

Implication	Commentary
Financial:	<p>The funding for this work primarily comes from the service revenue allocations from Bracknell Forest, West Berkshire and Wokingham.</p> <p>In addition, Level 2 and Level 3 investigations are generally supported via grant funding from BEIS and managed by the National Trading Standards Board and Trading Standards South-East. In 2023/24 this grant funding will exceed £300K.</p> <p>Work to tackle scams also receives grant funding from various community safety grants and has some input from the proceeds of crime asset recovery reserve.</p> <p>With revenue funding under pressure this area of work will need to be considered and prioritised in the context of overall demand.</p>
Human Resource:	<p>None – this work is generally delivered through specialist resource employed by the service on a permanent basis.</p>

	From time-to-time additional agency resource is brought through deployed grant funding. We are also supported by regional and national investigative resource.			
Legal:	<p>The Councils have a significant range of statutory responsibilities that are discharged through the shared service. These relate to unfair trading, consumer rights and counterfeiting amongst other matters. These matters are delegated to the Committee and operationally through the Inter-Authority Agreements of 2017 and 2022.</p> <p>The Councils can also institute legal proceedings if they are in the interests of residents in their area or in the case of many trading standards matters for offences committed anywhere in England or Wales.</p> <p>There is a large volume of legislation and associated statutory codes that govern investigations including the Criminal Procedures and Investigations Act 1996, Data Protection Act 1998, Police and Criminal Evidence Act 1984, the Regulation of Investigatory Powers Act 2002 and Investigatory Powers Act 2016.</p> <p>The Council's must have regards to the Human Rights Act 1988 and, in particular, Articles 6 and 8 of the Charter in Human Rights.</p>			
Risk Management:	Failure to comply with the framework set out in the Legal section above could lead to defendants being acquitted and the Councils facing judicial challenge together with the risk of damages and other sanctions.			
Property:	None			
Policy:	<p>The Joint Public Protection Committee is charged with oversight of the delivery of the Public Protection Service. This report sets out our programme of delivery in a significant area of our work.</p> <p>The Committee is invited to consider, comment and advise on strategic direction.</p>			
	Positive	Neutral	Negative	Commentary
Equalities Impact:		X		
A Are there any aspects of the proposed decision,		x		

including how it is delivered or accessed, that could impact on inequality?				
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Environmental Impact:	X			
Health Impact:	X			
ICT or Digital Services Impact:		x		
PPP Priorities :				
Data Impact:				None
Consultation and Engagement:	PPP Officers, Joint Management Board and the Case Management Unit have been consulted.			
Other Options Considered:	None			

4. Executive Summary

Background

- 4.1 Fraud is one of the prominent crimes of the current era. Many organisations are involved in tackling both the perpetrators and impacts. The Public Protection Partnership plays a significant role in tackling fraud carried out in the course of business (or assumed business) activities or in the area of fraud commonly referred to as 'scams'. There are significant links and often a fine line between fraud and the statutory duty to enforce 'unfair trading legislation' as well as links to other acquisitive crime such as money laundering and counterfeiting.
- 4.2 As fraudulent activity is complex and sophisticated it is often difficult for victims to understand how to protect themselves and around a third of victims fall prey to another scam within 12 months (National Trading Standards Scams Team, 2016). The consequence of fraud is not only financial., The emotional and psychological impact on victims results in increased isolation, diminished confidence and reduction in health and well-being. It also has a significant impact on the economy.
- 4.3 The National Trading Standards Scams Team produced a report titled 'Coercion and control in financial abuse; learning from domestic abuse' in October 2022. The report

is attached at **Appendix A** to this report. It sets out how we can draw on experience and good practice associated with dealing with domestic abuse to start to reform the perceptions and the language used in relation to financial abuse. It also considers strategies to reduce the risk and impact of financial abuse in our communities.

- 4.4 There are consequential effects on victims of fraud and scams;
- They may be or may feel heavily reliant on the trader/perpetrator and don't want to lose their support and services.
 - They may have been groomed into thinking they are making good, reasonable choices and making reasoned, empowered decisions.
 - They may be anxious about being deemed to be incapable of managing their affairs because they have become a victim – this is also a reason for under-reporting as they may have a fear of being removed from their home.
 - they are not aware they are a 'victim'.
 - victims are socially isolated with an absence of family to encourage reporting and may feel it is too trivial.
 - people in vulnerable circumstances may be put on so-called 'suckers lists' that are used and shared by fraudsters. This can lead to people being repeatedly targeted and becoming 'chronic victims'.
- 4.5 Tackling Fraud has been identified as one of the [Key Priorities for the Public Protection Service in the Strategic Assessment](#) 2021 - 24. The document sets out that the Service will continue to work with Thames Valley Police and specifically their fraud unit to address fraud. This work will include victim support and enforcement / intervention. Officers will continue to seek grant funding to support Level 2 / Level 3 fraud and unfair trading investigations and carry out operations to identify and tackle intellectual property crimes. The Service will also continue to undertake active media campaigns to raise awareness of fraud and the work we are undertaking to prevent it.
- 4.6 E-Crime has also been identified as one of the cross-cutting themes in the [PPP's Delivery Plan 2021-23](#). On-line trading has seen a significant increase in recent years, and this was accelerated by Covid and restrictions on high street trading creating more choice and convenience. The internet has been a vehicle for fraud, unfair trading, environmental crime and licensing breaches. The PPP looks for opportunities to tackle consumer and business detriment caused by eCrime across all its themes, priorities and projects.

PPP Resource with respect to Tackle Fraud and Unfair Trading

- 4.7 Fraud can range from crude to a highly sophisticated activity. To tackle fraud the response must be equally sophisticated, and a range of tools and expertise needs to be deployed.
- 4.8 The Public Protection Service delivery model is based on the 'National Intelligence Model'. Through this model we seek to tackle all areas of our work with a combination of preventative actions, intelligence gathering and analysis and enforcement. To this end, we have a strategic assessment and control strategy supported by a tactical tasking process which is of itself delivered through a number of specialist teams; trading standards, investigations (acquisitive crime) team, financial investigators and the case management and intelligence functions.

4.9 In addition, the service currently has a Fraud Victim Support Officer who assists victims of scams and their families with a range of preventative interventions and community engagement activities. This is supported by the PPP communications function and officers from trading standards and community engagement forming a dedicated scams team.

Prevention

4.10 Preventing residents and businesses becoming the victims of crimes including fraud and unfair trading is a key priority for the service. The PPP recognises that awareness and information is key in protecting residents from scams and fraud and it is important to educate consumers to be scam aware.

4.11 To this end we have a range of interventions in place including:

- Investigation of scams complaints and provision of advice.
- Installation of free telephone call blockers and video doorbells – these are actively promoted and a number of blockers are currently available for supply on a loan basis and installation. All free of charge and no cost to the resident. Wellbeing surveys are conducted before and after installation and these simple devices have been shown to make significant improvements to wellbeing and the resident feeling secure in their own home.
- Talks and scams presentations are made to local community groups
- Challenging banks under the 'Banking Protocol' to recoup monies for consumers (often successfully) where there may have been some identified failing.
- Training of bank staff focusing on signs to look out for when a customer may be at risk of financial abuse.
- No Cold Calling Zones:
[No Cold Calling Zones - PPP \(publicprotectionpartnership.org.uk\)](https://www.publicprotectionpartnership.org.uk)
- Provision of scams information and no cold calling door stickers
- Attending events partnering with TVP, banks and other agencies to raise awareness of scams and fraud.
- Ongoing programme of work with Citizens Advice – West Berkshire.
- Attendance and contribution to multi-agency meetings to help combat fraud.
- Networking with the Adult Social Care teams to raise awareness of what we do.
- Promote the national initiative Friends Against Scams:
<https://www.friendsagainstscams.org.uk/>

4.12 Communication also plays a significant role in preventative measures and our social media channels and website are actively used to highlight enforcement actions and to issue warnings to create a deterrent. Press releases are issued directly to the local media which are often recognised and published more widely. Examples of these can be found at **Appendix B**. In addition, we conduct regular radio interviews on the scams and fraud work conducted and our work in relation to romance scams has featured on BBC TV news reports.

4.13 We also participate in National Trading Standards Scams projects which includes the Friends Against Scams work and supporting victims identified through national and international enforcement measures. Recently we were able to return money to victims

following enforcement actions in the USA. More on these projects can be found here: [National Trading Standards Scams Team - National Trading Standards](#)

- 4.14 All of the staff within the Public Protection Service have safeguarding training including the identification of financial abuse. Where we believe someone is the victim of financial abuse e.g. so-called 'romance scams' we will work with the adult safeguarding teams to ensure the appropriate support and safeguards are put in place. Likewise, we receive regular referrals from social care colleagues and attend safeguarding forums to share ideas and best practice.
- 4.15 We also raise awareness of these issues and general unfair trading matters through briefings with police colleagues. At various times we have presented to TVP officers in the Response, Neighbourhood and CID teams. For many years we have also been involved in delivering the training for all PCSO's participating in the TVP training programme at Sulhampstead in recognition that it is often the neighbourhood teams on the ground that can play a big role in identifying possible fraudulent activities and unfair trading practices.
- 4.16 From time to time, we conduct proactive checks (often with TVP) to check on trading activity in the area. This is welcomed by residents as well as local traders who are concerned that the reputation of certain trading sectors is being damaged by 'rogue traders' thus affecting their legitimate business and operation.
- 4.17 Finally, we work with colleagues from community safety teams and partnerships to deliver against common objectives and in some cases access funding to support victims.

The Deployment of Intelligence

- 4.18 Credible intelligence is critical to tackling fraud and unfair trading. The biggest source of intelligence by far are members of the public who report matters directly to us or to our partner agencies such as TVP, Citizens Advice Consumer Line and Action Fraud. These reports are accessed through the data sharing agreements we have in place
- 4.19 It is these reports from residents, businesses and consumers that are often the trigger for an investigation. Every referral and notification from the national Citizens Advice Consumer Line and those directly entering the service (via email, telephone and web forms) are monitored on a daily basis. They are then considered in the context of the intelligence picture with a view to identifying any developing issues such as unfair or fraudulent trading activities. Every two weeks there is a tactical tasking process where the PPP's Intelligence Team raises areas of concern. Through this process the next steps are identified which can include advice and/or warnings to residents and businesses, appeals for further intelligence or reports and where deemed necessary the allocation of investigative resource, whether that be a cross service or multi-agency approach.
- 4.20 Once an investigation is commenced the intelligence picture is developed using a range of sophisticated techniques and packages that are able to connect nominals and assets. Often this involves the analysis of financial data as well the occasional use of communication data both of which can be obtained within a system of strict regulatory and (in the case of financial information) judicial oversight.

4.21 Finally, the service has a range of data sharing protocols which give us access to vital information. This includes access to material held on the Police National Database and the Police National Computer and also data sharing protocols with HMRC, DWP and the National Anti-Fraud Network. We also share an intelligence database with all other trading standards services, regional trading standards enforcement teams and the National Intelligence, Scams and eCrime units of National Trading Standards.

Enforcement - Level 1/2/3 Fraud and Unfair Trading

4.22 At any one time the service is investigating a significant volume of unfair trading and acquisitive crime matters including counterfeiting, fraud, money laundering and occasionally smuggling. Level 1 crimes (crimes where the victims are confined to the PPP geographical area) are primarily conducted by the Trading Standards Service. Level 2 (Regional) and Level 3 (National) crimes where we have victims inside and outside of the PPP area are investigated by a specialist investigation team comprised of Trading Standards Officers and Investigators who are solely dedicated to these highly complex matters.

4.23 Where there is evidence of offences inside and outside of the PPP then grant funding is sought from the National Trading Standards Board to progress these. Funding and other support mechanisms are also available from the Tri-Regional Investigation Function which covers the South-East, London and the East of England. This includes support for investigation work, expert witnesses, forensics and legal costs.

4.24 Day-to-day the service operates a Rapid Response Protocol with respect to Doorstep Crime incidents and officers will attend as soon as notification is received that a crime is in progress.

4.25 Often the service will work closely with other partners including TVP other trading standards services and regional crime units. Investigations often require arrests to be made and we work with a number of police services and these regional crime teams to arrest suspects where arrest criteria are met and it is necessary to further the investigation.

4.26 The Service has four staff accredited by the National Crime Agency to conduct and supervise investigations under the Proceeds of Crime Act 2002 into money laundering and where appropriate to conduct confiscation proceedings to recover the proceeds of crime. This includes the ability to restrain assets whilst proceedings are on-going. Judicial oversight of this work is undertaken by Reading Crown Court. We also have the support of a Financial Intelligence Analyst. Many suspects are identified by 'following the money'.

4.27 The service engages a wide variety of expertise whilst investigating matters. These can include expert witnesses e.g., chartered surveyors, vehicle examiners etc, along with computer and phone forensics experts, forensic accountants, handwriting and other forensic experts. Digital data can be critical and in the modern era we have seen several complex investigations built around digital and financial evidence.

4.28 Over the period of the PPP's existence, we have investigated a large range of complex fraud and unfair trading matters relating to a range of trading activities including second hand car sales, doorstep crime, advanced fee fraud, timeshare re-sale and the sale of puppies. The scale of these investigations has included levels of detriment ranging

from hundreds or thousands of pounds to multi-million-pound frauds and money laundering cases.

- 4.29 The Joint Case Management Unit supports the enforcement functions. Every investigation with a degree of complexity is allocated a lawyer from the unit from commencement. It may also be allocated to an Accredited Financial Investigator if appropriate. The unit provides a variety of roles which includes advising on the application of the law, checking procedural applications such as warrants, considering intelligence data applications and ultimately considering case files, applying the CPS tests around evidence and public interest and, should the case progress, conducting proceedings in the Courts or instructing and briefing external Counsel.
- 4.30 The Case Management Unit Manager also oversees the conduct of financial investigations and along with the Service Lead is able to authorise the making of judicial applications under the Proceeds of Crime Act 2002. Finally, we also have a specialist disclosure function to ensure our obligations under the Criminal Procedures and Investigations Act 1996 are fulfilled.
- 4.31 There are many examples of cases investigated which can be found on the Public Protection Partnership newsfeed. <https://publicprotectionpartnership.org.uk/news/> .

A very recent example of the successful investigation of a large and complex case can be found here: [Fraudulent builder sentenced to four years and three months immediate custodial sentence - PPP \(publicprotectionpartnership.org.uk\)](https://publicprotectionpartnership.org.uk/news/fraudulent-builder-sentenced-to-four-years-and-three-months-immediate-custodial-sentence-ppp)

5. Concluding Observations

- 5.1 Fraud is one of the biggest crime issues of our time. Although a crime as old as time it has become more sophisticated and many consumers are subject to frequent attempts to defraud them through all mediums, phishing emails, scam telephone calls and unsolicited doorstep traders. These can be professional and convincing and the vast majority of these frauds or attempted frauds remain unreported. We are all capable of falling victim to fraud and scams – everyone has moments of vulnerability where they are caught off-guard. Sadly, the majority of actual victims of fraud and unfair trading are often amongst the most vulnerable in our communities. For those most vulnerable, the effects of becoming a victim can be life-changing – losing large sums of money can impact on their financial security, there may be a loss of confidence and an on-going fear of further targeting. The effects can quite literally lead to the loss of independence and more reliance on support from family and the state. The impacts on mental health can be immeasurable.
- 5.2 This report sets out some of the steps the Public Protection Service is taking to protect residents and legitimate businesses. This work is delivered across Bracknell, West Berkshire and Wokingham under the various shared service arrangements. Our ability to deliver these levels of protection in the way we do is enhanced by those very arrangements and deliver on the original business case which includes pooling resources and developing expertise. That expertise is recognised both regionally and nationally.
- 5.3 It is proposed that given the importance and priority of this area of our work that we bring an annual report to the Committee.

6. Appendices

- 6.1 Appendix A – Coercion and control in financial abuse; learning from domestic abuse’ NTS Report.
- 6.2 Appendix B – Samples of communication and community engagement relating to unfair trading and fraud.

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