

**DERBYSHIRE COUNTY COUNCIL**

**MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES**

**01 September 2015**

**Report of the Strategic Director, Health and Communities**

**SCAMS AWARENESS MONTH - JULY 2015**

**1 Purpose of the report:**

To inform the Cabinet Member, Health and Communities of work conducted by the Trading Standards Division to raise public awareness about the potential harm from scam mail communications and the support currently provided to local residents identified as potential victims.

**2 Information and analysis:**

- 2.1 As has previously been reported, it is estimated that around 3.2 million people in the UK fall victim to scams every year and lose approximately £3.5 billion a year. The most effective way of combating this type of rogue trading is to raise public awareness of the potential harm. As part of a national campaign, July 2015 was designated Scams Awareness Month with the slogan "Don't be rushed. Don't be hushed." The aim was to raise awareness, link partner agencies involved and combat under-reporting of scams.
- 2.2 Throughout the month four press releases were issued focussing on the different ways that common scams are carried out – by phone, online, by mail and on the doorstep. This generated significant media coverage with two TV interviews of staff and victims on BBC East Midlands Today and radio interviews on Peak FM and BBC Radio Derby. An initial analysis of the 103 reported scams during July reveals the following:
- 40 – doorstep crime reports
  - 24 – telephone scams/fraud
  - 17 – postal/scams fraud
  - 16 – internet/email scams/fraud
  - 6 – other
  - The total in July was up by 25% compared to the previous month
  - The average loss/cost for doorstep victims reported in July was £947
  - The average loss for other scams was £142
  - The total reported loss for all scams was £22,612
- 2.3 Approximately 85% of scams go unreported – so in July the likely figure that Derbyshire victims have lost is around £150,000. We've worked out that the average age of scam victims is 77 years.

## 2.4 The top scams – from the Derbyshire statistics were:

- **Subscription traps** – This scam sees consumers trapped into long-term costly contracts by “free” trials, or trial offers with health, nutrition and beauty-related products most frequent. Complaints about slimming pills more than doubled nationally from 2012/13 to 2013/14 a trend which has continued into 2015 with average losses of £135, 90% of cases being online. The majority of complaints were about continuous payment authorities being used without the consumer’s permission.
- **Lottery or prize draw fraud** - You’re told via email that you have won a large amount of money on an online lottery. Spanish, Canadian and Australian lotteries are among the most common. So that you can process the payment of your winnings, you are asked to contact someone who claims to be an official at the lottery company. If you don’t respond quickly, you won’t be able to claim your winnings. However, either the lottery doesn’t exist or you’ve been contacted by fraudsters misusing the name of a genuine lottery.
- **Rogue roofing / tarmac / paving / gardening or tree cutting work** – These are classic doorstep crime approaches. The common features are cold calling, inflated prices for unnecessary or poorly completed work, high pressure selling to get the householder to agree to the work being done straight away and requests / demands for cash payment.
- **Business to business advertising scams** – Typically affect small / medium sized businesses who are cold called and offered advertising in a community, police or school type magazine. The business is persuaded to pay for advertising space but the magazine doesn’t exist. The business can also often face subsequent calls from debt collectors chasing up the non-existent debt.

2.5 Whilst holding Scams Awareness Month has given a focus to this area of work, it’s concerning that the number of scam complaints has been increasing steadily in recent years (circa 23% year on year – see table below). However, the creation of the National Trading Standards Scams Team has seen much greater prominence given to this issue and led to an improved response. For the first time, we now routinely receive details of actual victims of scam mail. This is because the Metropolitan Police working with Action Fraud, the Royal Mail and the National Scams Team, have been able to intercept mail sent from members of the public and intended for onward delivery to the overseas Organised Crime Groups who operate the mail scams. This makes it possible for us to follow-up the name and address information by contacting actual victims who have sent money to the scammers.

Year	Number of Complaints/ Notifications about Scams
2009-10	400

2011-12	689
2012-13	678
2013-14	712
2014-15	740
2015-16	c250 (to end of July)

- 2.6 When Trading Standards make contact with local residents who have sent money in response to scams, we return their money and talk to them to offer advice and support to empower them to refuse future scam offers. During the past 18 months or so, Derbyshire Trading Standards has carried out such 80 home visits to talk one to one with the victims.
- 2.7 As well as explaining the fraudulent nature of the scams that they had been persuaded to pay money to, we ensure that the residents have support from family or friends and were made aware of the Befriending Service. We also made about 70 First Contact referrals and two referrals to Adult Care Safeguarding. Further details about activities to support local residents are provided within the Appendix 1 to this report.
- 2.8 Appendix 2 contains an extract from the National Scams Team's Scams Tool Kit which provides more information about the different types of scams and the likely reasons that older people are vulnerable to being taken advantage of. Examples of the types of scam as well as sources of help and support are also provided in the Tool Kit which is accessible in full via the website below:

<http://www.wlga.gov.uk/regulatory-services-publications/scams-toolkit-a-holistic-guide-to-mail-fraud>

### **3 Other considerations:**

In preparing this report the relevance of the following factors has been considered; financial, legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property and transport considerations.

### **4 Background papers:**

Cabco Report, 5 July 2010 Raising Derbyshire Resident's Awareness About Scams  
Cabco Report, 30 September 2014 Tackling Scam Mail Communications

### **5 Key Decision:**

No

### **6 Call-in:**

Is it required that call-in be waived for any decision on this report? No

### **7 Officer's recommendation:**

That the Cabinet Member, Health and Communities notes the work conducted by the Trading Standards Division to raise public awareness about the potential harm from scam mail communications and the support currently provided to local residents identified as potential victims.

**David Lowe**  
**Strategic Director**  
**Health and Communities**

## **Appendix 1 Fair Trading project – Responding to National Scams Team referrals**

### **Activities Undertaken:**

Derbyshire Trading Standards Service agreed to participate in a national project to reduce the detrimental effect of misleading mass marketing and clairvoyant fraud. We received circa 500 names and addresses from the National Scams Hub team. These had appeared on mailing lists taken from businesses affected by a Police search.

As we intended to contact the individuals concerned, we took steps to remove any that would be inappropriate to contact by mail or phone call. These were primarily individuals who had moved into nursing care, or had passed away.

We wrote to the individuals on the amended list. In cases where we did not receive a reply to our first letter, we sent a second more targeted letter informing them that their name had appeared on a mailing list. We invited them to contact us to discuss the nature of the list, and how to take preventative measures. For some individuals, we had been asked to return cheques that they had sent to the businesses concerned and these were treated as priority visits.

Assistance has been provided by the Police, Adult Care, and the libraries service. We have used the knowledge of the home visitors to enable us to target the individuals who are most likely to have been affected and continue to be affected. We have performed joint visits with Police or Adult Care staff, and have been introduced to residents by both Adult Care and Library colleagues. We intend to visit all of the individuals who are currently receiving care through Adult Services.

The visits are ongoing, with 24 outstanding visits to individuals who have indicated in their reply to our questions that they may be victims, or are unsure and would like more information. We have received a further 62 priority referrals in the following financial year, all of whom have replied to the mass marketing businesses causing concern.

As well as the Derbyshire staff in Adult Care and the Library Service, we have talked to Banks, Day Care Centres, and residents meetings to inform and ask for assistance from friends, neighbours, and relatives of potential victims. The local press, radio, and Derbyshire Alert have featured items. We also took part in a Police online fraud awareness event.

### **Results**

We have written to 319 possible victims and received 144 replies. Nine letters returned by Royal Mail. The rate of response to the first letter was 29%, with a lower rate of 24% to the second letter. Three of those informing us that they do not receive scam mail have subsequently been notified to us as people who have replied to the mail.

So far, we have visited 80 potential victims and given telephone advice to other potential victims, family, and relatives. Of the visits, 49 were as a result of a request to visit, and 31 were made in order to return cheques. We have not been able to make contact with two of the cheque senders, possibly due to them having passed away. We

estimate that more than 90 of those on the original list have been victims. Some of these have passed away and family have confirmed our concerns. Others are now in care, or the family have taken over their mail and financial affairs.

The estimated loss to those victims is £920,000. In one particular case, a son told us that his parents, both in their 90s, had lost over £600,000 to mass marketing, share, and land banking scams. The National average is between £500 and £2,000 per victim. The average age of the Derbyshire victims is 77. The estimated benefit of our intervention, based on the national figures, is £225 per victim per year. So far, this would equate to £114,000, assuming that victims would be likely to continue for two years.

During our visits we showed examples of the scams and prize draw letters to convince the victims that many people receive the same “winning” letter. We explained the excessive costs of the products they have been buying in the hope of winning the prize. We showed how the clairvoyant letters were made to look personal and how they target the vulnerable by referring to particular losses and life events. We made sure that the victims had support from family or friends, or were aware of befriending services and social events, as isolation is often a trigger for them becoming victims. Very few (two) of the potential victims have suggested that they will not change as a result of our visits.

We made approximately 70 First Contact referrals and two referrals to Adult Care Safeguarding. There have been five joint visits with Adult Care staff and one day of joint visits with Matlock area Police.

### **Significance of Results**

It is the sad reality that some victims have only stopped sending money to the mass marketing fraudsters when they no longer have anything to send. The “Think Jessica” charity was formed by a daughter of one of the victims, who refused to listen to family and friends. We have received feedback from family members in similar cases who have told us that our intervention has finally convinced the victim. After intervention, many victims feel more able to detect the scams, and they are less likely to become chronic victims and need care or financial assistance.

### **Conclusion**

We are confident that we have prevented many of the potential victims from sending money as a result of correspondence relating to mass marketing prize draws and scam clairvoyant claims. This results in the individuals being better able to care for themselves, and they are more likely to be able to spend their money with legitimate UK businesses.

The extent and amount of victims has only recently become apparent due to the collation of intelligence received by Trading Standards, and Action Fraud, along with research carried out on behalf of Age UK and Citizens Advice. The estimated amount lost by UK citizens to mass marketing scams by phone and email is thought to be £5 billion per year. 48% of people in the UK have been targeted by a scam.

## **Appendix 2- Extract from a National Trading Standards Scam Team's – Scams Toolkit**

The Full guide is available via the following link:

<http://www.wlga.gov.uk/regulatory-services-publications/scams-toolkit-a-holistic-guide-to-mail-fraud>

### **SECTION 1 - Background to scams**

A scam is a term used to describe any fraudulent behaviour, business or scheme that takes money, personal details or other goods from an unsuspecting individual.

#### **Types of scams**

There are a wide variety of scams (see [http://www.actionfraud.police.uk/a-z\\_of\\_fraud](http://www.actionfraud.police.uk/a-z_of_fraud))

The type of scams that the NTSST is currently focused on is Mass Marketing Fraud (MMF). MMF is a crime that exploits mass communication techniques (such as telephone, mail and digital technologies) to con money out of unsuspecting consumers by making false promises.

Some different types of scams are outlined below:

- Lottery scam
- Catalogue / Prize Draw scam
- Clairvoyant / Psychic scam
- Inheritance scam
- Impersonation of UK Officials
- West African 419 Fraud
- Fraud Recovery scam
- Charity scam

Please note: for the purposes of this toolkit MMF will be referred to as a scam.

#### **What does scam mail look like?**

Scam Mail is designed to look official and authentic. It also uses well known marketing techniques which make the content highly persuasive. There are styles within scam mail that are continually used:

For Prize Draws / Lottery wins / Sweepstakes:

- Coats of Arms
- Seals
- Serial Numbers
- Barcodes
- Watermarks
- Mimeographed signatures
- Rubber stampings

For Clairvoyant / Psychic scams:

- Fake photos of 'psychics'
- Spiritual / Religious Imagery
- Symbolism
- Supernatural objects
- Astrology
- Occultism

## **Tactics employed by scammers**

In addition to a consumers own motivations, scammers employ strong psychological tactics which can influence a consumer's decision making. These psychological tactics are often the same as marketing strategies adopted by lawful companies to try and compel consumers to purchase their goods or services.

Some of the tactics employed by scammers:

- Scam mail looks genuine
- High value rewards offered
- Exploitation of human wants and needs
- Personalisation of scams
- False timescales
- Participants active engagement
- Secrecy

## **Who is a victim?**

Anyone can be targeted by scammers regardless of age, gender, education or socio economic background. However, often it is older people because this group is more likely to possess characteristics which make them vulnerable to victimisation.

In 2008 an Age UK survey revealed that seven out of ten older people in Britain (around 6.6m people) are targeted by scams every month through letters or telephone calls. It is worth noting that the NTSST project has revealed scam victims as young as 22 years old however the average age of victims is around 75 years old.

## **Why are the elderly targeted?**

Our elderly communities contain some of the most vulnerable individuals, which is why they are targeted so frequently by scammers.

The following factors may result in an increased risk of scam victimisation, if they:

- Are over 70 years old
- Have access to their own funds
- Live alone
- Have few or no visitors
- Often spend the day at home
- Are trusting of peoples motives
- Own a landline telephone
- Have physical or mental health problems
- Suffer from a cognitive impairment such as a form of dementia like Alzheimer's disease

If such characteristics are identified when assessing an individual, it is important that the consumer receives all the support and guidance necessary to safeguard them against any possible threat posed by scammers.

## **Why do people respond to scams?**

The motivations for why people participate in scams vary widely. It may be because:

- They want to provide a financial gift to their family
- They are bored or lonely and want something to do during the day



- They are recently widowed or inexperienced in dealing with financial matters
- They are in financial hardship
- They respond impulsively
- They feel pressured to respond
- Through habit or a dislike of change
- They think it may be worth taking the risk

There will be many other reasons but the list above illustrates that, contrary to popular opinion, peoples motivations are not based principally or even at all upon notions of greed and financial gain.

It is paramount that a Trading Standards Officer identifies the root cause of why a consumer likes to receive scam mail.

### **Impact of scam victimisation**

Many scam victims do not have the capacity to identify their own victimisation and will continue to be scammed, which can lead to:

- Loss of independence
- Health issues
- Decreased self esteem
- Estrangement and isolation from family and/or friends
- Financial problems, i.e. debt
- Lack of self care
- Hoarding
- Secretive behaviour and telling lies

### **How to spot a scam victim?**

Identifying scam victims can be difficult as they:

- May be unaware of their victim status
- Are instructed to remain quiet by the scammers
- Feel guilt, shame or are in denial
- Fear that they will lose their social or financial independence if they tell friends or family
- Don't want to lose their 'friendship' with the scammers

There are some key signs to look out for by observing a victim's behaviour or when visiting their home:

- High volume of scam mail
- Hoard large quantities of 'worthless' goods & cheap 'tat'
- Be living in shocking or unsanitary conditions
- Poor personal hygiene
- Unusual / unexplained bank account activity
- Spent a large amount of their life savings
- High usage of chequebooks
- Frequent visits to the Post Office
- Not paying bills or buying food
- Deceitful about scam participation

- Increasing isolation from friends / family
- No support from family / friends or anyone to confide in
- Receives a high volume of phone calls
- Unable to believe the information they are being given
- Become extremely distressed, angry or aggressive to learn that they are a scam victim
- Feel ashamed or embarrassed at what they have done
- After a period of grooming, have strong emotional ties with the scammer