

Agenda Item No. 3(c)

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – HEALTH AND COMMUNITIES

20 June 2016

Report of the Strategic Director – Economy, Transport and Communities

**PROTECTING VULNERABLE PEOPLE IN DERBYSHIRE – DERBYSHIRE
SCAM WATCH INITIATIVE 2015-16**

(1) **Purpose of Report** To inform the Cabinet Member of action taken during 2015-16 to support vulnerable local residents who have been victims of scams and to inform the Cabinet Member of new responsibilities for local authorities under the Care Act 2014.

(2) **Information and Analysis** As the Cabinet Member will be aware, the Trading Standards Division seeks to support local vulnerable people who are at risk from the activities of rogue traders. Derbyshire Trading Standards Service (DTSS) has a statutory responsibility for enforcing trading standards legislation that prohibits false or misleading claims associated with the sale of goods and services. The Division also provides support and services to protect local residents; it seeks to prevent them from becoming victims or to help those that have been taken advantage of.

Scam Mail

The full impact of scam mail, as a source of financial abuse, is recognised as a growing problem within the trading standards community. The aim of scam mail is simply to get money from the recipient on the basis of false promises about products, investment opportunities or relationships, such as clairvoyants. The perpetrators of scam mail are often based abroad so traditional enforcement activity is not an option.

Following the Government's Consumer Landscape Review and the establishment of the National Trading Standards Board in 2012, mail scams were identified as a national trading standards priority. A National Trading Standards Scams Team (NTSST) was set up to work closely with the National Fraud Agency, the Metropolitan Police and Royal Mail to address the problem.

Research by NTSST, Age UK, Citizens Advice and a report by the National Centre for Post-Qualifying Social Work and Professional Practice,¹ has identified the extent of the problem, as follows:

- The estimated amount lost each year by UK consumers to mass-marketed scams via phone and post is between £5 billion and £10 billion.
- Nearly half of people in the UK (48 per cent) have been targeted by a scam.
- NTSST report that the average age of a scam victim is 74. Lonely older people are more likely to be at risk of being scammed.
- People with dementia are at an increased risk of responding to a scam. They experience a fluctuation of mental capacity which makes it hard for them to understand risk and apply caution.
- Scams can be a major factor in the decline of health in older people, undermining wellbeing and quality of life.
- Many people who have responded to a scam are put onto “suckers lists”. These lists are sold globally between scammers and the victim is targeted repeatedly as a result.
- The NTSST has so far accessed 15 suckers lists and they contain over 260,000 names of UK residents.
- Age UK report that 3.2 million people in the UK fall victim to scams every year. The estimated average detriment is just over £1,000 per victim but individual losses can be much higher. The example in Appendix 1 identifies £20,000.
- The true scale of the problem is not known due to underreporting by victims. The current estimate is that only 1 – 10% of scams are reported.

With the cooperation of Royal Mail, Police colleagues have been able to identify and intercept mail from UK residents that have been misled by the scammers. This mail can contain cheques and postal orders that have been sent by victims in the mistaken belief that they will receive a lottery win or a prize draw pay-out.

The intercepted mail is sent to the NTSST for collation and return to the relevant local Trading Standards Service. This provides Trading Standards with an opportunity not only to return the money to local residents, but also to initiate a discussion to explain the fraudulent nature of the scam and hopefully to prevent them falling victim in the future.

In 2014-15, Derbyshire Trading Standards had contact with and returned money to 71 local residents and, although this work is rewarding and valuable,

¹ <http://www.ncpqsw.com/wp-content/uploads/2016/03/Scam-Booklet-FINAL.pdf>

it can be quite time-consuming with repeat visits and liaison with family members often required.

The Division already works closely with voluntary sector partners, including local Citizens Advice Bureaux and Derby and Derbyshire Age UK, to raise public awareness regarding scams.

September 2015 saw the launch of a new initiative, Derbyshire Scam Watch, designed to address the immediate needs of identified victims and prevent further crimes. The project is led by North East Derbyshire Citizens Advice Bureaux (CAB) and funded by a grant awarded by the Police and Crime Commissioner for Derbyshire. The main objectives for the project are:

- To recruit and train 15 volunteers to carry out home visits to 100 identified local residents identified as scam mail victims.
- To identify the scale and levels of consumer detriment and gather intelligence.
- Ensure that identified residents received direct support and advice about the potential harm from scam mail.
- To refer, as appropriate, residents to other care sources of support via the County Council's First Contact service.
- To make Safeguarding referrals as appropriate.
- To recommend the installation of telephone 'call blockers' as appropriate (*In one year, just 10 users on the initial Trading Standards pilot project, benefited from a total reduction of 3,500 unwanted calls*).
- To promote awareness of scams to all stakeholders via local events, communications and distribution of resources.

The Derbyshire Scam Watch website was launched on 1 September 2015 to raise awareness of the potential harm from scams and to provide a local resource. A project coordinator has been recruited by NEDCAB and six volunteers have so far been recruited and trained. To date, approximately 50 visits concluded to vulnerable local victims, and advice and support provided including information about the local support charity 'Think Jessica'.

Where appropriate, referrals have been made to First Contact and the Derbyshire Befriending Service, and also to DTSS for the installation of a Call Blocker. A number of press releases have been issued and articles posted in local publications to raise awareness. The project coordinator has also attended numerous groups to advise both the public and colleagues about the problem. An example of a local resident that has fallen victim of mail scams is provided as Appendix 1 to this report.

Care Act 2014

The Care Act creates new responsibilities for local authorities with regards to older people. By virtue of Section 42, if a Local Authority suspects an adult is

at risk, they must make, or cause to be made, whatever enquiries necessary to enable them to decide whether any action should be taken and, if so, what and by whom. By virtue of the Act, abuse or neglect includes financial or material abuse including:

- theft;
- fraud;
- internet scamming;
- coercion in relation to an adult's financial affairs or arrangements, including in connection with wills, property, inheritance or financial transactions; and
- the misuse or misappropriation of property, possessions or benefits.

Statutory Guidance to the Care Act provides further detail about the potential harm from scams and recommends that Trading Standards Services work closely with Adult Care to provide support to local residents identified as being at risk, and discussions between appropriate colleagues are taking place. Further details regarding the statutory guidance can be found in Appendix 2 to this report.

Derbyshire Trading Standards Support for Scam Victims

In addition to support for Derbyshire Scam Watch, DTSS has initiated a programme of visits to local residents identified as victims of scam mail following notification from the NTSST. Full details of the work carried out during 2015-16, is provided in Appendix 3 and a summary of the key points is as follows:

- Derbyshire received 151 priority referrals relating to Derbyshire victims.
- 84 visits have been made to 81 local residents. This compares to 71 visits the previous year.
- The estimated loss to the 81 individuals visited by Trading Standards staff is £200,000.
- Following one intervention, a local resident was dissuaded from sending £69,000 to a scammer.
- It is estimated that, as a consequence of the advice and support by Trading Standards staff, local residents have been prevented from sending a further £188,000 to scammers.
- The average age of Derbyshire victims is 77.
- Nine Call Blockers have been fitted and 30 referrals made under the 'First Contact' system.

Despite the support of Age UK and NEDCAB volunteers through the Derbyshire Scam Watch Initiative, there is unmet demand. There are still 293 Derbyshire potential scam victims to be visited. It is also anticipated that additional referrals will continue to be received from the NTSST in the future.

A further sad example of how older people become 'sucked' into mail scams is provided in Appendix 4. The local Chesterfield resident is in her 70's, is widowed and has suffered other family tragedies. She was referred to DTSS by the NTSST after a cheque she was sending to an organised scam group was intercepted by the Police. Trading standards staff recovered a letter she had drafted to a clairvoyant where she was asking him for help in respect of a bogus lottery win.

Derbyshire Trading Standards will continue to work with Adult Care, Police and Derbyshire Scam Watch partners to support local residents that have been identified as victims of mail scams and to raise awareness about the problem.

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

(3) **Key Decision** No.

(4) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(5) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details – Robert Taylour, extension 39830.

(6) **OFFICER'S RECOMMENDATION** That the Cabinet Member notes the report.

Mike Ashworth
Strategic Director – Economy, Transport and Communities

Appendix 1 Derbyshire Scam Watch Case Study

As part of the Derbyshire Scam Watch, Laura Bennett, Derbyshire Scam Watch Coordinator and a volunteer from North East Derbyshire CAB visited Mary who had been identified by the National Trading Standards Scams Team (NTSST) as having sent money in response to a scam letter that she had received. Mary² is 88 years old and lives on her own in Draycott, Erewash.

“Mary welcomed us into her pristine home, she was delighted to tell us that she had almost won £146,000 plus on a prize draw. At this point Mary had no idea that the prize draws were scams, she showed me the letters and envelopes that were personally signed by the director of Gourmet Treats, Phyderma and Our Life, she honestly believed that the signatures were real, this is because Mary receives a telephone call from this person every day at 9am to remind her to place an order to be placed into the next stage of the prize draws.

It was clear to see from the piles of chocolates, biscuits and pots of creams and potions around that Mary was following instructions and ordering goods on a daily basis that she didn't really need and which she could have bought a lot cheaper from the local super-market.

Mary was more than happy to show me all of the letters she had received and responded to during a two week period in April. During this period she had received at least 10 letters telling her that she had won a prize draw. On each envelope Mary had written the date that she responded to the prize draw.

We talked at length and Mary told us about her life and how during the last two years she had lost her husband and two daughters within months of each other. She opened up and told me that the only reason she started ordering goods and entering the prize draws was due to loneliness and it gives her something to do. She lost her confidence after suffering such a tragic time and it was easier for her to shop from home than go out to the high street. When I told Mary that the prize draws were none existent and read out the small print on the back of the letters and pointed out all of the anomalies which evidence the prize draws as Scams, she was devastated. I felt awful in one respect for shattering her dream of winning a fortune, however on the other hand I felt relieved that I had hopefully protected and stopped Mary from responding in the future.

I advised Mary on all types of scams and explained the harsh reality that the perpetrators are organised criminal gangs that prey on the vulnerability of people and use persuasive techniques to exploit the everyday decision that we use.

² Not her real name

We chatted about Physic and Clairvoyant scams and Mary told me that she had gone along with these scams and had sent money for 'readings', but she said that she recognised that these were fictitious and stopped.

I asked Mary how much money she has spent on ordering goods and entering prize draws as well as the Physic Readings, however she could not tell me how much money she had lost, this is something she says 'she can't bear to think about'. I estimate that Mary has in fact lost over £20,000 during the 18 months that she has been responding. On realisation she said to us 'it's a shame you didn't come out and see me 18 months ago', but is truly grateful of our intervention now.

We obviously realised that the daily calls from scammers were having a massive impact on her ability to stop. We discussed call blockers which as part of the project are installed free of charge by Trading Standards, Mary decided that she would like a call blocker installing as priority as she feels pressured by these calls.

We have also referred Mary to the Derbyshire County Council Home Library Service, as she enjoys reading and would welcome the company. We discussed Befriending however, at this time Mary has requested that I send her the information and she will decide if this is something she would like.

We will follow up with Mary on a regular basis, Mary's case is not unique however each visit carried out by Derbyshire Scam Watch is approached holistically and we recognise that people require different levels of support."

Laura Bennett,
Derbyshire Scam Watch Coordinator
North East Derbyshire Citizens Advice Bureau

Appendix 2 – Care and Support Statutory Guidance issued by the Department of Health³

14.28 Internet scams, postal scams and doorstep crime are, more often than not, targeted at adults at risk and all are forms of financial abuse. These scams are becoming ever more sophisticated and elaborate. For example:

- Internet scammers can build very convincing websites.
- People can be referred to a website to check the caller's legitimacy but this may be a copy of a legitimate website.
- Postal scams are mass-produced letters which are made to look like personal letters or important documents.
- Doorstep criminals call unannounced at the adult's home under the guise of legitimate business and offering to fix an often non-existent problem with their property. Sometimes they pose as Police officers or someone in a position of authority.

14.29 In all cases, this is financial abuse and the adult at risk can be persuaded to part with large sums of money and in some cases their life savings. These instances should always be reported to the local Police service and local authority Trading Standards Services for investigation. The Safeguarding Adults Board (SAB) will need to consider how to involve local Trading Standards in its work.

14.30 These scams and crimes can seriously affect the health, including mental health, of an adult at risk. Agencies working together can better protect adults at risk. Failure to do so can result in an increased cost to the state, especially if the adult at risk loses their income and independence.

³ <https://www.gov.uk/guidance/care-and-support-statutory-guidance/safeguarding>

Appendix 3 Trading Standards Activity to support victims of scam mail

Fair Trading Project - National Scams Hub

Derbyshire Trading Standards Service (DTSS) agreed to participate in a national project to reduce the detrimental effect of misleading mass marketing and clairvoyant fraud. The National Trading Standards Scams Team (NTSST) was established by the National Trading Standards Board (NTSB) with funding from the Department of Business Innovation and Skills (BIS) to help tackle the growing problem of scam mail. Working in partnership with the Metropolitan Police, the lead Police agency, thousands of items of scam mail have been intercepted. Typically, the scammers are based abroad making local enforcement action impossible. Instead, mailbox accounts used by the scammers to receive cheques sent by their victims are intercepted and the letters sorted by the NTST and returned to the relevant local authority Trading Standards Service. This provides an opportunity to not only return the money sent by the victim, but also to engage with the individual and explain that they have been taken advantage of.

During 2015-16, the Service received 151 priority referrals (made up of 2 batches totalling 147 plus 4 individual referrals from other agencies). Some of the victims are the same as previous notifications, but with new cheques and correspondence to return. Assistance has been provided by Adult Care, to identify the victims who are currently receiving care and steps were taken to remove any victims that would be inappropriate to contact by mail, phone call, or home visit. These were primarily individuals who had moved into nursing care, or had passed away. Five referrals were made to Adult Care and arrangements made for a joint visit.

All of the visits from last year which needed a cheque or cash to be returned to the victim have been completed. The outstanding visits are to individuals who have indicated in their reply to our questions that they may be victims, or are unsure and would like more information. These are being performed by North East Derbyshire Citizens Advice Bureau (CAB) or Age UK staff and volunteers. Details of 244 residents have been passed to the CAB, who have completed 25 visits and written to 180 to say that they may visit when in the area and inviting the resident to make other arrangements if preferred. The target for the project is 100 visits, and six volunteers have been trained to make the visits.

Of the referrals made to DTSS in the financial year 2015-16, 50 local residents have been visited and there are 85 still to be completed, although additional referrals are likely to be received during the forthcoming year.

The Derbyshire Scam Watch website is up and running, and information packs have been produced. A launch event took place at County Hall in September 2015.

<http://www.derbyshirescamwatch.org.uk>

In addition to Adult Care colleagues, discussions have taken place with Banks, day care centres, and residents' meetings to raise awareness of the issues and ask for assistance from friends, neighbours and relatives of potential victims. The local press, radio, and Derbyshire Alert have featured items. The Authority was also featured on Regional ITV during national scams awareness month.

Information Packs of leaflets have been distributed, including Age UK Scams Awareness, Think Jessica⁴ charity information leaflets, Silverline contact details and Trading Standards own information leaflets⁵.

Where appropriate, the victim of a scam has been referred to other support agencies via the First Contact facility. DTSS has also provided a telephone Call Blocker if evidence is revealed that the individual concerned has been targeted by telephone scammers.

Results:

In total, 81 Derbyshire residents who had been identified as potential mail scam victims by the National Scams Team have been visited this financial year. The estimated loss to the victims visited this year is approximately £200,000. In one case, Trading Standards prevented an imminent loss of almost £69,000. It is anticipated that, as a result of Trading Standards' intervention, future detriment has been reduced by £188,000.

The average age of the Derbyshire victims is 77. Very few of the potential victims have suggested that they will not change as a result of the visit they have received.

Nine call blockers have been fitted and 30 First Contact referrals made as a direct result of the visits to the victims, shown in the most recent set of data from the National Scams Team.

For those victims who are vulnerable due to language issues, disability or recent bereavement, DTSS have written to some of the businesses and have asked them to stop sending letters or contacting the victims by phone. The Division is assessing the impact by monitoring the fall in the numbers of contacts. Based on the impressions of the victims the feedback is that it reduces the contacts significantly soon after the Trading Standards intervention. Some 92 letters have been written on behalf of nine residents.

An innovation suggested by the National Scams Team was to encourage older people, who are susceptible to mail scams, to act as 'mail marshals'. The reasons for people falling victim are numerous and diverse, but common themes include a reduction in mental capacity, loneliness and boredom. Mail marshals are encouraged to collate the mail that they receive and proactively report the

⁴ <http://www.thinkjessica.com/>

⁵ http://www.derbyshire.gov.uk/community/consumer_advice/scams/default.asp

different scams to Trading Standards. Three local residents have been recruited as mail marshals. As requested by the National team, follow up visits, at one month and four months after sign up, have been conducted and an assessment made of the benefits from being on the scheme. The detriments to the individuals prior to joining the scheme were estimated to be £50,000. The benefits in terms of the amount of money each victim would otherwise have sent to the scammers after one month were estimated to be £2,250. After four months, the benefit was calculated to be £5,300.

In addition to the financial benefit, the mail marshals reported feeling happier, safer, and more confident that they could spot unwanted mail. One individual had still been responding to some mail after one month, but after four months had stopped, resulting in a much better financial position. Another individual's mail has dropped from 10 unwanted letters a day, before the first Trading Standards visit, to just one after joining the scheme. All of the mail marshals have volunteered to continue sending their mail to the National team after completing the end of the agreed period.

Significance of Results

Some of the victims have only stopped sending money to the mass marketing fraudsters when they no longer have anything to send. NEDCAB is assessing debt problems during the visits. The "Think Jessica" charity was formed by a daughter of one of the victims, who refused to listen to family and friends. Feedback from family members in similar cases who have indicated that the Trading Standards intervention has finally convinced the individual that the mail communications are scams.

If each victim benefits by an average of £500 per annum, and feels confident and more able to detect the scams, they are less likely to become chronic victims and need care or financial assistance.

Summary of any infringements

There appears to be no decline in the amount of misleading mass mailings, most of which breach the Consumer Protection from Unfair Trading Regulations. It is difficult to tackle these solely with enforcement action, as many use mailbox forwarding services and are based outside the UK.

Conclusion

DTSS is confident that many of the potential victims have been prevented 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.

At the current time, 293 Derbyshire residents identified from NTSST lists have yet to receive a visit from DTSS or Scam Watch volunteers. Another 66 visits are

scheduled by Scam Watch up until the end of the project in September. This means that 227 remain to be visited by DTSS as of 1 May 2016. The 84 visits completed this year compares with 71 visits in 2014-15.

There are likely to be future lists sent from NTSST, as well as victims identified from the Citizens Advice Consumer Advice Service (CACS), other partners and the Derbyshire County Council First Contact scheme.

It remains the case that a single visit is not necessarily enough to engage more 'difficult to reach' chronic victims, and more consideration may need to be given regarding the approach of an isolated visit.

It is anticipated that a similar or higher number of referrals from the NTSST will be received in future years. There is a need to continue to engage partners, using the new Care Act provisions as a focus for these discussions. This is likely to be undertaken in conjunction with Adult Care Safeguarding and Prevention colleagues.

The Division will be introducing an evaluation process to get feedback on the interventions with vulnerable residents, part of which will form the outcome for Trading Standards Performance Indicator during 2016-17.

Appendix 4 – Case Study – letter from local scam victim

The transcript of the letter below is from a Chesterfield widow in her 70's. She received notification that she had 'won' a European Lottery and would shortly receive hundreds of thousands of pounds. The organised nature of the criminality is evidenced by numerous letters from supposedly different companies encouraging the victim to spend money on the basis that she will soon be very rich and can afford to treat herself. The winnings are always just a few weeks away, but are delayed by the need to send an 'administration fee' or some other excuse to convince the resident to pay out more money. The scammers even reinforce their original scam by pretending to have clairvoyant skills and offer, for a fee, to assist with removing the 'blockage' that is holding up payment of the winnings.

Trading Standards Officers visited the lady in question following the referral from the National Scams Team and established that, in a six week period that the mail covered, she had ordered body products, tablets, sweets and cakes costing over £600. She is not mobile and cannot carry shopping but does not want to pay a supermarket delivery cost, yet she was paying delivery of up to £8 per order on a daily basis for these products. It would seem that she is living on cakes and sweets (she told the officer that she has trouble with her teeth). She recently broken her hip and arm in two falls but will not pay for a pendant alarm because she says she has no money.

Her daughter lives very close but does not visit or take her out, it is thought that this is because the frustration that she will not stop sending money has become too much.

The text below is a transcript of a letter that she drafted to send to the 'clairvoyant' called David. The final line of the letter gives the numbers that she clearly believes have resulted in her winning the 'World Lotto Australian'.

A safeguarding referral has been made to Adult Care.

Chesterfield

My Dearest David

About a week ago I awoke in my bed about 7.30 and looked about the room and saw an old man with white hair, he was not touching anything just standing looking at my things. I said to him Hello what do you want? He never said a word but lifted his right arm and disappeared out of the room. I hope he does not come back again but I think he may have, as some important letters have disappeared from the living room.

David I am not very happy, there are lots of things that I have not told you about me. I do not work for any money but I cannot talk about it or write about it to you, it's very hush hush work. I do not write about it as the letter may get lost in the post, but if you came to see me I would not stop talking for hours about it.

David I have been doing the World Lotto Australian and I think I have won a lot of money, but I will not believe it until I have it in my hands. I know that I have no money but I have had to do without things for a few weeks for a while. I could not see any other way out of it.

David are you going to send me The Protective Cross to free and protect my home.

David I cannot stop thinking about you, you are in my thoughts all the time. What are we going to do about it?

David you are the only person I have told about the Lotto win, I have not told my family either.

57 17 35 02 56 41 42