

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

26 May 2015

Report of the Strategic Director, Health and Communities

DOORSTEP CRIME REPORT 2014-2015

1 Purpose of the report:

To inform the Cabinet Member, Health and Communities of activities undertaken by the Fair Trading Team to doorstep crime in Derbyshire.

2 Information and analysis:

2.1 A local, regional and national priority for trading standards services is to protect local people and in particular older householders from rogue traders that seek to do business in their homes. 'Doorstep Crime' is the phrase given to the minority of unscrupulous individuals that arrive uninvited on the doorstep and seek to take advantage of older residents. The types of doorstep crime vary and include itinerant traders sometimes working alone, but often organised criminal gangs as well as the slightly more sophisticated rogue salesman that will engage in high pressure sales techniques to pressurise house-holders to pay for goods and services that they don't necessarily need and often at highly inflated prices. The number of Doorstep Crime complaints increased from 246 in 2013-14 to 301 received during 2014-15, an increase of 22%.

2.2 Whilst there is a variety of legislation to protect consumers from unscrupulous rogue traders, the best form of protection is to prevent local residents from becoming victims in the first place. The Division works with a variety of partners to raise awareness amongst the public about the potential threat from unsolicited approaches from traders whether it be a knock on the door or an unexpected telephone call. The Trusted Trader Scheme was set up specifically to provide local people access to local reliable traders prepared to do a good job for a fair price. Raising awareness amongst key partners as to how they too can help protect older residents from Doorstep Crime is also a key part of the strategy. They can also help us by providing intelligence about doorstep criminals to enable us to focus our enforcement action on those that are causing most harm to consumers.

Prevention

2.3 The Division works closely with the Police and Community Safety colleagues and has access to the Derbyshire Alerts system. This enables us to issue alerts to key community groups such as Neighbourhood Watch about reported incidents. 19 alerts were sent out last year compared to 15 the previous year. Examples of

some of the issues covered are detailed in the appendix to this report. Other activities included:

- Two press releases were issued
- 2,600 'No Cold Calling' stickers were sent to partner agencies to distribute to local residents
- Training was provided to 300 police colleagues
- A presentation was given to an OAP club

Intelligence

- 2.4 Because rogue traders do not just operate in a single local authority area and their offending breaches a variety of different legislative areas which may fall to different enforcement agencies, it is vital that information about alleged offenders is shared. There are a variety of different secure intelligence databases and authorities within the East Midlands use a system called Patriarch (formerly known as Memex). This database allows trading standards colleagues to record details from complaints from the public and other sources in a secure way that can be accessed remotely and by other agencies. This enables law enforcement agencies to build evidence against rogue traders that otherwise might evade detection. 98 incidents of potential doorstep crime were recorded during 2014-15 and the Division also took part in a national survey which was intended to improve detection rates of doorstep criminals

Enforcement

- 2.5 As previously indicated, doorstep criminals tend to fall into two categories, those that are itinerant and difficult to trace and usually 'cold call' because they are 'in the area' and offer a variety of services including replacement drives, guttering and fascia boards, roofing, landscape gardening etc. These criminals are opportunist and target properties where they believe that the occupants are elderly. This might be based on observation, as a result of previous intelligence or just a speculative call. The mischief is typically that they will offer to do work that may well be needed at what appears to be a reasonable price. However, the standard of work is very poor and the householder is often bullied into paying substantially more than they were initially told.
- 2.6 The other category is that of the outwardly respectable business selling products such as double glazing, security systems, mobility products; chair risers, mobility scooters, etc and more recently, energy saving products; insulation, replacement boilers, solar panels etc. The householder may be approached direct on the doorstep, receive a flyer through the door or have an unsolicited telephone call. The objective of this initial approach is to get a sales representative 'over the threshold' although the unscrupulous company will go to great lengths to deceive the consumer into thinking that the appointment is not a sales pitch and that the visit is to 'assist' the householder. Many consumers are misled into thinking that the call is from an official source such as 'the health service' or 'social services'. Once an appointment is secured then the company operative will subject the

householder to a heavy sales pitch using strategies now prohibited by the Consumer Protection Regulations.

2.7 Examples of current investigations and concluded prosecutions include:

- A Derby based company misleading householders into believing that they need their electrical circuitry checked and that work is required be done. We have intervened and have secured refunds for consumers approaching £5,500. Derby City Trading Standards are now investigating potential breaches of trading standards legislation.
- A Chesterfield based company selling mobility products falsely claiming to be working with Age UK and Alzheimer's Research UK and which has failed to refund deposits for consumers who have cancelled contracts within legally permitted time periods.
- Another Chesterfield mobility company that has managed to gain access to sheltered accommodation to conduct sales presentations and which has also failed to honour cancellations made within permitted time periods and to refund deposits.
- An Alfreton kitchen and bathroom business about which we have received numerous complaints from local consumers alleging breaches of both civil and criminal trading standards legislation.
- A solar panel company that it is alleged has made misleading claims about the amount of energy generated and has been accused of forging signatures.
- An itinerant driveway trader that engaged in aggressive practices and which failed to allow a contract with an elderly couple to be cancelled was prosecuted by the Division and fined £350 ordered to pay costs of £750 by the Court.
- A builder who cold-called previous customers he knew through his previous jobs as a canvasser for double glazing companies took money for deposits and materials but never returned to carry out the agreed work. He is in the process of being prosecuted following an investigation.
- A Mansfield Woodhouse trader has been issued with a Formal Caution (now referred to as a 'Simple' Caution) after pressuring a Glapwell couple into paying for a shoddy job.

2.8 Further details about these cases are available in the appendix to this report.

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:

None

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 activities of the Fair Trading Team to support local consumers and businesses.

David Lowe
Strategic Director
Health and Communities

Appendix – Project Report Tackling Doorstep Crime in Derbyshire 2014-15

Doorstep Crime is set out as a priority area of work for 2014/15. We have dealt with **301 complaints** about doorstep crime this year. This is a rise from **246** last year.

Activities Undertaken:

Activities undertaken may be divided into prevention, intelligence and enforcement.

Prevention

We regularly use the Derbyshire Alert system operated by Derbyshire Police to publicise warnings about rogue traders or doorstep scams operating in the area. **19 messages** have been circulated this year (up from 15 last year) involving such things as;

- Traders calling door to door offering for sale items such as mattresses, expensive 'German' cookware and gold and jewellery.
- Businesses cold-calling offering legal services such as wills and asset trusts at high cost
- Itinerant fish-sellers
- Several rogue garden and property repair services
- Various scams whereby consumers receive an unsolicited telephone call from a person claiming to represent the Council. It is likely these callers are trying to obtain personal/financial information.

Two press releases have been circulated to highlight current doorstep crime trends or to publicise prosecution results

1. Residents urged to be alert to doorstep callers and rogue traders

<https://www.google.co.uk/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=residents%20urged%20to%20be%20alert%20to%20doorstep%20callers%20and%20rogue%20traders%2c%20derbyshire>

2. Appeal after rogue trader appears to target elderly residents in suspicious incidents in North Derbyshire

<http://www.derbyshire.police.uk/My-Local-Police/CDivision/ChesterfieldSection/WaltonandWest/News/2014/Jul-7-Rogue-trader-incidents-Brookside-Wingerworth.aspx>

2,600 'No Cold-Calling' stickers have been distributed this year via Neighbourhood Watch schemes, local hospitals, housing associations and libraries.

We have continued to provide regular training to police officers and call handlers to raise awareness of the work of Trading Standards and doorstep crime in particular. **19 presentations** have been given this year to a total of **302 police officers and staff**. We occasionally give presentations to larger groups of older adult forums to educate specifically as to the dangers of dealing with cold-calling traders including a group of

50 at Newton OAP club in December.

Intelligence

Derbyshire TS uses an intelligence database system, Patriarch (formerly Memex) to record instances of doorstep crime as well as other areas of enforcement activity such as counterfeiting, tobacco/alcohol enforcement and animal health issues. We have submitted **98** intelligence items related to doorstep crime this year.

During the first quarter of 2015-16 we will be taking part in a Regional project which will require every intelligence item related to doorstep crime to be recorded onto Patriarch as soon as possible. The aim of the project is to see what further intelligence can be developed by a designated intelligence resource, based at the regional Scambusters team. It is to identify the gaps in intelligence and lack of current 'joining up' with the existing ways of working within the region. This should identify who the key threats are within the region and could help to identify organised crime groups (OCGs) suitable for regional tasking.

The TSEM Scambusters team will dedicate a resource to review all of this intelligence and develop it into identifying targets. If work is identified that is suitable for tasking to Scambusters then this will be progressed through the usual tasking process.

Enforcement

A significant area of work is direct intervention in relation to doorstep complaints on behalf of consumers who are elderly and/or vulnerable and the investigation of complaints of criminal activity.

We have dealt on a number of occasions with an 'electrical security' business in Derby. This is a business which appears to target elderly consumers, initially by telephone, and persuades them to have an 'electrical survey' of their home carried out. A visit is arranged for a salesman/electrician to visit who usually recommends works to be carried out which the company undertakes. A recurring issue is that the company uses databases bought over the internet which contain the details of consumers registered with the Telephone Preference Service (TPS), so they should not receive unsolicited sales calls. This is a matter we have now referred twice to the Office of the Information Commissioner. Other complaints about the business suggest that consumers are often told it is a legal requirement to have their domestic electrical installations periodically checked – this is untrue. As a result, we have intervened on a number of occasions and managed to secure a total of **£5,412** in refunds for consumers.

As the business is based in the City, Derby trading standards have engaged with them and are seeking to ensure compliance with the law by means of undertakings given by Directors under the Enterprise Act; however if present trends continue, it is likely that more robust enforcement action may be necessary.

We are investigating a Chesterfield based mobility business which cold-calls elderly/disabled consumers in order to sell mobility products. Complaints have been

received from consumers who have cancelled contracts within the period permitted by the Cancellation Regulations, but have not received refunds. The premises were entered under search warrant on 28/01/2015 and documents and computers seized. Among the items seized were canvasser 'scripts' alleging an association with Age UK and Alzheimer's Research UK – these associations are false. We are continuing to gather evidence, many witness statements being obtained by Trading Standards colleagues in other parts of the country.

Another Chesterfield based mobility company is also under investigation. This business sells bed, rise and recline chairs etc to elderly/vulnerable consumers. Complaints concern aggressive commercial practices, failure to refund monies where contracts have been properly cancelled, failure to supply goods etc. A particular concern is that the business arranges presentations to customers in sheltered accommodation and thus has a captive market of vulnerable consumers. A number of witness statements have been taken from consumers.

We are investigating an Alfreton based kitchen and bathroom business following a number of complaints about its trading practices. Typically customers are asked to pay money up front for a new kitchen or bathroom despite the fact that contract terms and conditions explicitly state that no money is to be paid by the customer until the job is complete. Other complaints concern kitchens described as 'bespoke' but which then arrive in flat-packs; damage to property during fitting; failure to return money following customer's cancellation; failure to meet deadlines; poor quality workmanship etc. The business has been previously warned about possible offences of 'engaging in a commercial practice which contravenes the requirement of professional diligence' contrary to the Consumer Protection Regulations (CPR's) and has refused to be interviewed formally about these matters. Instead the business will submit written answers to questions by letter.

We have been investigating an 'energy solutions' business in relation to alleged mis-selling of solar panels and forging of signature on credit agreements. Complainants say they have bought panels on the basis of predicted energy savings which, following installation, they have failed to achieve by significant margins. A Director of the Company has been interviewed and a report has recently been submitted. Recommendations include charges for misleading actions and misleading omissions under the CPRs and a charge for fraud with respect to the forging of a customer's signature on a 'satisfaction note'. As part of these enquiries we secured a refund of £2,000 for one consumer.

Summary of any infringements:

An investigation which began in February 2014 was concluded in court on 01/10/2014. **John Riley**, an itinerant driveway repairer trading as **Delta Driveways / Delta Landscapes** had visited an elderly couple in Bolsover and through pressure selling, persuaded them to have their drive replaced for £700. He failed to give cancellation rights and even dug up the corner of their existing driveway so that they felt compelled to go ahead. Police intervened before the couple had paid any money and arrested Riley.

We took over the investigation when the Police ruled out fraud charges and prosecuted Riley for one offence of using aggressive practices under the CPRs and a separate offence of failing to give cancellation rights under the old Doorstep Regulations. He was fined **£210** for the aggressive practice and **£140** for not giving a cancellation notice. He also has to pay costs of **£750** plus a £110 victim surcharge.

Another investigation was into a builder who cold-called previous customers he knew through his previous jobs as a canvasser for double glazing companies. He took money for deposits and materials but never returned to carry out the agreed work. He was arrested and interviewed by ourselves and police and charged with three counts of fraud. He failed to attend court on 30/01/2015 and a warrant has been issued for his arrest. The matter has now been listed for trial at Crown Court.

As a result of a complaint to Trading Standards in April 2014, we have investigated a roofing company from Mansfield Woodhouse. The trader carried out roofing work to a property in Glapwell which has been examined by an expert. His report shows that the work was not carried out with reasonable care and skill. In addition, pressure was put on the homeowners to pay money up front, after they had agreed to a quotation on the basis that no money would need to be paid until satisfactory completion of the job. The matter has been dealt with by the offer of a 'Simple Caution' to the proprietor of the business. This will require him to admit the offence of trading in a manner that contravenes the requirements of professional diligence.

Significance of Results:

As a result of intervention activities we have secured **£18,145** redress for consumers in relation to doorstep crime,

Conclusion:

The Health and Communities Department Service Plan 2014/15 states;

“Protecting people, especially the most vulnerable, from the potentially harmful effects of rogue traders is highlighted in the Council Plan as a priority.”

Actions against doorstep crime therefore remain a high priority for the Service as they support many of the Council's aims to protect the elderly and vulnerable and improve their quality of life.