

Agenda Item No. 3(a)

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – HEALTH AND COMMUNITIES

28 June 2017

Report of the Strategic Director – Economy, Transport and Communities

**TRADING STANDARDS ACTION TO PROTECT LOCAL RESIDENTS
FROM DOORSTEP CRIME IN DERBYSHIRE 2016-17**

(1) **Purpose of Report** To inform the Cabinet Member of action taken during the previous year to protect local residents from ‘Doorstep’ Crime.

(2) **Information and Analysis** Doorstep Crime is the expression used to describe the activities of usually itinerant, opportunist criminals, often working as part of an Organised Crime Group (OCG), who target older and vulnerable local residents and coerce them into agreeing to purchase goods or services ‘on the doorstep’. Typically the criminals offer a range of products and services ranging from mobility products to driveway resurfacing, double glazing and house and garden maintenance. Generally the services provided are to a poor standard and often hugely at inflated prices. Tactics include high-pressure sales and intimidation to agree to have the work done or to purchase goods and then to hand over payment.

Because of the extent of consumer detriment perpetrated by the criminal minority, Derbyshire Trading Standards Service (DTSS) has, for many years, prioritised tackling this type of consumer mischief, often working closely with Police colleagues. It was for this reason that the Service launched the Derbyshire Trusted Trader Scheme (DTTS) to put local people in touch with local traders who were willing to commit to providing a good service for a fair price.

Activities to tackle Doorstep Crime can be classified into three areas; Prevention, Intelligence and Enforcement. Prevention is intended to raise awareness amongst local residents about the potential harm from dealing with itinerant doorstep traders. Whilst there is a range of legislation, including the 14 day ‘cooling off period’ for contracts concluded away from business premises, if the identity of the person or persons responsible for providing the goods or service are not known and impossible to trace, then there is no means of supporting the consumer to get his or her money back. As well as promoting the DTTS, which was specifically set up in 2009 to encourage local residents to seek out a local, reliable tradesperson, the Division regular

distributes 'No Cold-Calling Stickers' and organisers leaflet drops in specific localities if complaints are received about the operation of doorstep traders. Officers also seek to raise awareness amongst Police colleagues about trading standard legislation as there is often a close correlation between doorstep crime and distraction burglary.

Because rogue itinerant doorstep criminals target consumers across local authority boundaries, it is important that Intelligence about their activities is logged and shared with other enforcement agencies. Identifying the perpetrators in order to hold them to account is crucial to the successful outcome of any criminal investigation. A total of 130 Intelligence logs were made during 2016-17 compared to 166 in 2015-16 and 98 in 2015-16.

DTSS assesses all doorstep crime complaints received from the Citizens Advice Consumer Service, Police or other Agencies and will provide a prioritised response. Not all notifications require a response and, in some instances, no investigation is possible as there is insufficient evidence on which to act. However, given the vulnerable nature of many of the victims and the extent of consumer detriment, the Division will investigate with a view to taking enforcement action whenever possible. Examples of current investigations are provided in the appendix to this report and include:

- A Chesterfield based 'handyman' service that has carried out poor quality or unnecessary work, has inflated the agreed price from the initial quotation, provided inadequate or non-existent paperwork and has been aggressive.
- A Chesterfield mobility products business that has allegedly adopted aggressive commercial practices, failed to refund monies where contracts had been properly cancelled and failure to supply goods.
- A Melbourne based vacuum cleaner service and maintenance company allegedly misleading the public into believing that they are representing a well-known brand of cleaner.

Another form of enforcement is Disruption. Where there may not be sufficient evidence to support a criminal prosecution, then Trading Standards officers may intervene to seek to encourage the trader to provide compensation if the goods or services supplied are not of a satisfactory quality. Examples of interventions on behalf of Derbyshire residents are included in the Project Report produced as an appendix to this report and include:

- A disabled Belper resident who paid nearly £4,000 for a stair-lift that was installed in such a manner that it blocked her front door.
- An 86 year old Renishaw resident who lives with her disabled son and who was pressurised into £11,000 worth of work to her property by an 'energy saving' company.

- A 75 year old Wirksworth resident who was pressurised into paying £1,000 for an 'asset protection' policy.

During 2016-17, DTSS received some 377 complaints about doorstep incidents, an increase of 61 (19%) compared to the previous year and an increase of 131 (53%) compared to 2013-14. DTSS provided advice on 147 occasions to consumers and successfully intervened in relation to 68 cases and obtained just over £110,000 in redress.

(3) **Financial Considerations** The Trading Standards Division received £22,000 from the Public Health Resource Fund in 2016-17 to support tackling Doorstep Crime.

(4) **Social Value Considerations** Doorstep criminals represent some of the worst examples of criminal trading standards behaviour. Not only do victims potentially lose thousands of pounds, but they often lose confidence in their ability to live independently in their own homes.

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

(5) **Key Decision** No.

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

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

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

Mike Ashworth
Strategic Director – Economy, Transport and Communities

Appendix – Derbyshire Trading Standards Service (DTSS) - Doorstep Crime Project 2016-17

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

Prevention

The Service has used press releases to highlight current scam and doorstep crime trends and also to promote the Trusted Trader Scheme which serves to reduce incidents of doorstep crime. Examples include:

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/april/news_items/we_warn_residents_about_doorstep_fish_sellers.asp

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/may/news_items/trusted_trader_members_give_the_scheme_a_big_thumbs_up.asp

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/may/news_items/telephone_scam_warning.asp

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/june/news_items/we_back_national_scams_awareness_month.asp

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/october/news_items/telephone_scam_warning_for_derbyshire_residents.asp

https://www.derbyshire.gov.uk/council/news_events/news-updates/2016/october/news_items/national_fight_against_scams.asp

1,600 ‘No Cold-Calling’ stickers have been distributed this year via Neighbourhood Watch schemes, local hospitals, housing associations libraries and Councillors.

DTSS has continued to provide regular training to Police officers and telephone call-handlers to raise awareness of the work of Trading Standards and doorstep crime in particular.

This year there have been 13 training presentations given to Derbyshire Police officers and staff. Police colleagues have included 70 Student officers, 32 new Police Community Safety officers (PCSOs) and 53 Contact Management Staff. Two presentation types are delivered: a general Trading Standards overview giving an idea of the type of work Trading Standards carries out, ranging from scams to counterfeiting, illicit tobacco and underage-

sales to animal health, weights and measures and illegal money lending. The other training presentation specifically relates to Doorstep Crime and is presented jointly with a Police Officer from the Force Intelligence Management Unit. The presentation covers 'cold-calling', rogue traders and high pressure sales and the legislation surrounding it, whilst the Police Officer discusses distraction burglary and pedlars.

The Doorstep Crime presentation is given to new Contact Management Staff who may, once trained, become call-handlers, or work in the Operations Room directing Police officers to live incidents. This presentation is also given to Student officers during their initial training. This helps officers to recognise doorstep crime incidents as criminal in nature and how to deal with such incidents when they attend them.

The training is always well received and Trading Standards is now a well-established part of the Police Training programme. This training makes officers and staff more aware of the potential offences and they are more likely to take action or seek advice if such incidents are reported.

We regularly distribute leaflets in areas where information has been received that itinerant traders are making unsolicited calls to residents touting for work. The leaflets warn residents of the risks of agreeing to work by businesses who operate in this way. Typically, officers will distribute leaflets to around 150 homes in the area. Leaflet drops have taken place in Chesterfield, Chapel-en-le-Frith, Darley Dale and Hasland.

Intelligence

DTSS uses an intelligence database system, 'Memex' to record instances of doorstep crime, as well as other areas of enforcement activity such as counterfeiting, illicit tobacco and alcohol enforcement, and animal health issues. The majority of other Trading Standards Departments across the country also use the same system which allows for easy sharing of intelligence. A total 130 intelligence items relating to doorstep crime have been logged this year, compared to 166 and 98 for the previous 2 years.

Enforcement

Examples of enforcement activity during the year are highlighted below.

1. **Chesterfield based handyman trader.** This individual advertised a handyman service in Chesterfield area magazines. The Service received a number of complaints about the nature of his business, jobs of poor quality or unnecessary, price increases from the initial quotation, paperwork inadequate or non-existent and the, at times, aggressive nature of the individual. Most of the complainants were elderly and/or vulnerable. A prosecution of the individual was considered, but on legal advice, he signed a 'Simple Caution' in October 2016. This is a legal document in

which he admitted committing criminal offences, in this case fraud under the Fraud Act 1996; and engaging in a commercial practice which contravened the requirements of professional diligence and engaging in an aggressive commercial practice contrary to the requirements of the Consumer Protection from Unfair Trading Regulations 2008 (CPR's).

In addition, the trader signed 'Formal Undertakings', a legal agreement to conduct future business in a fair and legal manner, breach of which could ultimately amount to a contempt of court. He also agreed to pay a total of £7,000; £6,800 to be paid to 2 consumers and £200 in costs to the Department.

2. **Chesterfield 'Mobility Products' company.** This is a business which sold beds, rise and recline chairs, etc, to elderly/vulnerable consumers. Complaints concerned aggressive commercial practices, failure to refund monies where contracts had been properly cancelled and failure to supply goods etc. A particular concern was that the business arranged presentations to customers in sheltered accommodation and thus had a captive market of vulnerable consumers. Trading Standards officers executed an entry warrant on the business premises and seized large amounts of documentation. The business has now ceased trading. In excess of 50 witness statements have been taken to support the investigation. The owner of the business has been charged with 18 offences under the CPR's and two under the Fraud Act 2006. The matter was listed for a court hearing in May 2017 and has now been adjourned for a trial in September 2017.
3. **Melbourne based vacuum repair business.** This business involved the service and repair of a well-known brand of vacuum cleaners. Potential customers received unsolicited telephone calls from the business who obtained their details from the BT phone book. Customers would be told that the company was offering a discount price of £14.99 for servicing vacuum cleaners in their area, the normal price being £40. Engineers visiting the customer would usually advise that replacement parts were necessary. The business made money by selling these replacement parts at a large mark-up (up to 10 times the wholesale price). Initial complaints about the trading activities of the company were received in October 2014, two months after the business started trading. Early complaints were about consumers being misled about the true identity of the business (ie. believing that they were dealing with the 'real' manufacturer) and illegally cold-calling consumers registered with the Telephone Preference Service. After attempting to engage with and advise the business over many months, DTSS started to get complaints from consumers who had paid in advance for spare parts but never received them. A warrant to enter the premises was obtained in October 2016 and 4,500 customer records and other documentation seized. The owner of the business has been

interviewed and it is likely that he will be prosecuted for 'contravening the requirements of professional diligence', an offence under the CPRs. One of the engineers of the business faces more serious charges. Witness statements have been taken from a number of customers he visited. He carried out work on their vacuum cleaners and took payment by means of a hand-held card reading device. When he first used it, he told them that the transaction had failed for some reason, so asked them to re-enter their PIN numbers. They later discovered that identical amounts had been taken from their accounts. One payment went to the PayPal account of the Melbourne business, the other to an account the engineer had set up himself. The Department has evidence that he stole around £7,000 from 28 customers in this way. He faces the prospect of charges under the Theft Act 1968 and the Fraud Act 2006.

Results:

DTTS has dealt with a total of 377 reports relating to doorstep crime this year. This figure is up on previous years:

Year	Number of complaints
2013-14	246
2014-15	287
2015-16	316
2016-17	377

Trading Standards officers have provided advice to consumers in 147 of these cases, this is in addition to the first tier advice provided by the Citizens Advice Consumer Service. The Division has directly intervened to assist consumers in their disputes with traders on 68 occasions, achieving redress that amounts to a total of £112,689. Examples of the work of DTSS are given in the case studies below.

Case Studies

1. A disabled consumer from Belper had a stair-lift fitted by a company from West Yorkshire at a cost of £3,800. There were some initial faults with the installation. The staircase is immediately behind the only entrance door to the consumer's flat and when the stair-lift was in its lowest position it blocked the door. The company installed the stair-lift so that when the consumer got off at the bottom of the stairs, the lift returned part-way up the staircase so as not to impede the doorway. Shortly after installation, this failed, and the stair-lift stuck at the bottom of the stairs. The company was unable to come out immediately, so the consumer's son had to take the door off. The company came out, repaired the fault, but within a day or two, the same thing happened again. The engineer who attended on this occasion was not very

helpful. He refused to take the door off and suggested that the consumer call the fire brigade! DTSS became involved in March 2016, when the stair-lift was not working and the chair had been moved to the top of the stairs. The company wanted to fit a new chair altogether, but the consumer had lost faith in them and wanted a refund. An Officer contacted the Director who believed that the consumer had merely changed her mind and was therefore not entitled to reject the contract, she was outside of the normal 14 cancellation period for contracts concluded in the home and the staircase was, in any event, bespoke. In April 2016, contact was made with the British Healthcare Trades Association with whom the company is affiliated to assist. DTSS also wrote to the company to point out that the consumer was entitled to reject the contract under the Consumer Rights Act 2015; the stair-lift had failed within the first 30 days, the consumer had allowed the business the opportunity to repair the stair-lift, but these repairs had failed. She was therefore entitled to a refund. As a result of DTSS intervention, the company removed the stair-lift on 18 May 2017 and gave the customer a full refund of £3,800.

2. DTSS was contacted by a social worker on behalf of her client, an 86 year old vulnerable lady from Renishaw and her 54 year old son who was disabled as the result of a stroke. They received an unsolicited visit from the salesman of a Derby-based 'energy' company in April 2016 who persuaded them to enter into a contract for a new garage roof costing at £1,920, a conservatory for £7,000 and external wall coating for £2,200. The total contract price was £11,120. The salesman was in the home for several hours, even waiting while carers attended the home, and did not leave until they had paid in full. After the salesman left, the mother and son decided that they did not want to go ahead with the contract and sought to cancel by telephoning the company. They did not, however, give written notice of their wish to cancel the contract until after the 14 day cancellation period allowed by law had lapsed. DTSS became involved at this point because the company had only agreed to refund £7,000. The consumers had still not received any kind of refund more than four weeks after this offer was made. A Trading Standards Officer corresponded with the company about the matter. He pointed out that in previous dealings he had had with them, they had agreed to extend the cancellation period, as a gesture of goodwill, where consumers were elderly or vulnerable. As a result of this intervention and the 'dubious' nature of the way in which the contract was secured, the company gave a full refund of £11,120 in June 2016.
3. In October 2016, an Officer dealt with a complaint from a 75 year old lady living on her own in Wirksworth. She had been receiving a number of unsolicited telephone calls from a business offering advice about will writing. Eventually she agreed to a visit by a representative of the

business, because she thought he may be able to offer advice as to how to protect her children's inheritance. When the representative visited, he stayed for five hours, eventually wearing her down until she agreed to sign a contract. She paid £1,000 on her debit card. She was unsure what she had signed, but wanted to cancel. DTSS intervened on behalf of the lady who was confused and upset. It transpired that she had signed up for an 'asset protection contract'. This was sold on the false promise that if the lady had to go into care later in life, her assets would be protected from being used by the local authority to help pay for that care. In fact regulations exist which allow local authorities access to funds supposedly 'protected' by such a contract. Following the Officer's intervention, the lady was given a full refund of £1,000 which she received in November 2016. In addition, DTSS installed a 'call-blocker' device free of charge. This prevents unwanted and unsolicited telephone calls getting through. The lady had been subject to lots of this type of call which had been making her anxious and unhappy.