

DERBYSHIRE COUNTY COUNCIL**MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES****30 September 2014****Report of the Strategic Director, Health and Communities****TACKLING SCAM MAIL COMMUNICATIONS****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.

2 Information and analysis:

2.1 Research by the Office of Fair Trading (OFT) suggests that around 3.2 million people in the UK fall victim to scams every year and lose around £3.5 billion a year. Nearly one in every twenty people (4%) lost money to a scam – of those 7% of those lost more than £4,000. Postal and e-mail scams often claim that the recipient has won countless sums of money or a free holiday, car or other luxury item providing they pay a ‘nominal’ amount for bank charges, local taxes or money towards some other plausible excuse. Whilst many of the calls to the Citizens Advice Consumer Support Helpline (formerly Consumer Direct) and local trading standards services are from consumers who have identified the communication as bogus, sadly all too often, the recipient is conned into parting with money that they can ill afford. Estimates by the OFT suggest that up to 66,000 Derbyshire residents could be in receipt of scam mail communications each year.

2.2 Although it is a specific offence under the Consumer Protection Regulations¹ to send a scam communication – whether electronically or

¹ **Section 12 of the Consumer Protection from Unfair Trading Practices Regulations 2008:**

“engaging in a commercial practice set out in paragraph of Schedule 1, namely:

“Creating the false impression that the consumer has already won, will win, or will on doing a particular act win, a prize...when in fact either –

- a) there is no prize.., or***
- b) taking any action in relation to claiming the prize...is subject to the consumer paying money or incurring a cost.***

by mail, the fraudsters are usually based overseas which makes enforcement virtually impossible for local authorities. Accordingly, Derbyshire Trading Standards works closely with Action Fraud, local Police, Citizens Advice, the Consumer Markets Authority – which has replaced the Office of Fair Trading – and the National Trading Standards Board to raise awareness amongst the public about scams and ensures that details of scam communications received by local residents are collated and referred to the appropriate agencies.

2.3 The most effective way of combating this type of rogue trading is to raise public awareness of the potential harm. Since 2008 the authority has participated in an annual ‘Scamnesty’ campaign to encourage local residents to bring examples of scam mailings – postal as well as electronic – to their local library. The information is then passed to and collated by the Trading Standards Division and details of the scams forwarded to Action Fraud to identify the criminals responsible and to refer to the relevant country’s enforcement authority. The Campaign is also intended to raise awareness amongst the public and thus hopefully prevent further victims. Examples of recent Derbyshire County Council press releases about scams are provided at appendix 1.

2.4 The number of complaints about scams has been increasing steadily in recent years (circa 23% year on year). Some of the communications are simply notifications from members of the public who are aware that the communication is a scam. Others are often from family members of victims who have parted with money. The table below gives figures for the last few years.

Year	Number of Complaints/Notifications about Scams
2009-10	400
2011-12	689
2012-13	678
2013-14	712
2014-15	349 (to end of August)

2.5 Examples of the types of scams received by the Trading Standards Division have included:

- Prize draws – where the public are duped into making costly telephone calls to claim a worthless prize.
- Foreign lottery scams – consumers are hoodwinked in to paying large sums to release “winnings” that are never received.
- Investment scams – residents are conned into paying thousands of pounds for shares which are valued at a fraction of the initial investment.

- Theatre or concert tickets – scammers take payment for tickets that either don't exist or are fake.
- Health products or supplements – people purchase items by mail order or over the internet but pay many times over for originally inexpensive items.

Further details of scam communications and the types of 'prizes' and how much the resident has to send to secure the prize are given below in Appendix 3. Although the amount of money asked for in the initial correspondence is usually relatively modest, it is known that details of consumers who are misled into sending money are circulated between scammers on what is known as 'sucker's lists'.

- 2.6 As well as promoting the annual Scamnesty campaign and issuing press releases about scams, the Division has also actively supported two local campaign groups – Think Jessica and the Scams and Prize Cheque Offences (SAPCO) – campaign to outlaw mailshot fraud run by Marilyn Baldwin and Brian and Candy Smith, respectively. Both campaigns were initiated after family members had fallen victim to scam communications. In addition, the Division is liaising with East Sussex County Council who operate a 'National Scams Hub'. East Sussex Trading Standards has received government funding via the National Trading Standards Board to collate details of victims of scam communications throughout the UK. Working closely with Action Fraud, The Metropolitan Police and local authority trading standards services, the National Scams Hub has been able to identify the names and addresses of residents who have been identified from 'sucker's lists'. This information is then sent to the relevant local authorities so that they can provide some direct assistance to prevent the householder becoming further ensnared by the fraudsters.
- 2.7 We have been notified by the national Scams Hub that over 900 Derbyshire residents have been identified as having been recipients of scam mail and/or who have sent money to the fraudsters. We understand that the information about scam victims has followed enforcement action by the Metropolitan Police in conjunction with Action Fraud which obtained correspondence from a fulfilment house. It is suspected that many of the people identified have sent money to the fulfilment house in the belief that they have won a competition, lottery or some other inducement. We have been working with Adult Care and Police colleagues to ascertain how best to approach potential victim. Following discussions with Adult Care colleagues, the local campaign groups and the University of Derby, it is known that many recipients of scam mail do not consider themselves as victims of fraud. In fact the Think Jessica campaign has likened the emotion experienced by some recipients to an addiction.

- 2.8 We have written to over 100 suspected victims to bring to their attention the fact that they may have been conned and to see if they would like further information. We are currently in discussion with Adult Care colleagues to determine how best to raise awareness amongst carers and family members to ensure that older people living on their own are not being misled into thinking that they have won something or being duped into buying products that they do not really need. A case study showing the impact that scam mail can have on one elderly Derbyshire resident – who has since sadly passed away – and who at the age of 89 took out a loan to pay the scammers is provided in appendix 2 of 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:

Raising Derbyshire Resident's awareness about scams - CabCo Report dated 5th July 2010.

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.

**David Lowe
Strategic Director
Health and Communities**

Appendix 1- Derbyshire County Council Press Releases about Scams

2012/2013

1. [Council tax reduction letter warning: Your council - Derbyshire County Council](#)
2. [Computer threat warning following surge in scam complaints: Your council - Derbyshire County Council](#)
3. [People power helps our fight back against fraudsters: Your council - Derbyshire County Council](#)
4. [Fight back against scam mail needs you!: Your council - Derbyshire County Council](#)
5. [Warning over 'Olympic' lottery scam: Your council - Derbyshire County Council](#)
6. [Warning to consumers after scam complaints increase: Your council - Derbyshire County Council](#)

2013/2014

7. [Motorists warned about copycat driving licence renewal sites: Your council - Derbyshire County Council](#)
8. [Hope that national tv award will highlight support available for scam victims: Your council - Derbyshire County Council](#)
9. [Warning to prospective puppy owners about internet sales: Your council - Derbyshire County Council](#)
10. [Council pilot project to protect residents from phone fraud: Your council - Derbyshire County Council](#)
11. [Fraud-fighting residents receive awards for their efforts: Your council - Derbyshire County Council](#)
12. [National awards recognise fraud-fighting heroes: Your council - Derbyshire County Council](#)
13. [Derbyshire Telecoms mail scam warning: Your council - Derbyshire County Council](#)
14. [Help Trading Standards put stop to scam mail: Your council - Derbyshire County Council](#)
15. [County council sounds charity bag warning: Your council - Derbyshire County Council](#)

Appendix 2 Case Study - Eleanor

Case study of an 89 year old Derbyshire resident who was a chronic scam victim. Prior to her recent death she took out a £3,000 loan to cover her debts accumulated from sending money to the scammers.

Derbyshire Trading Standards received information about Eleanor from the National Scams Hub in March 2014. Her neighbour, who was caring for her, was so concerned about the amount of scam mail that Eleanor was receiving that she contacted Think Jessica, who in turn contacted the Scams Hub. Although she provided examples of scam mail during the 2011 'Scamnesty', at the time she wasn't known to the County Council and so wasn't receiving any particular support.

We visited Eleanor in March this year. She was aged 89 had no children and had been living on her own since her husband died when he was in his 40s; but was being supported by a nephew who lived a few miles away. She had rarely been out of the house for a year as she had a problem with her hip and therefore had severe mobility problems. Eleanor was living downstairs and sleeping on her sofa because of her mobility problems. Her cooker and her television were not working and she relied on her neighbour for shopping and hot meals. Adult Care were in the process of organising a stair lift and a care package.

Trading Standards were able to take some of the mail away and Eleanor agreed to have her mail redirected to her neighbour but she was reluctant to let it go. She had been responding to scam mail for a number of years. We contacted Adult Care who were aware of Eleanor's situation and were visiting her.

In May we received another call from Eleanor's carer who was concerned for her health and wellbeing since she had received a letter from a debt collecting agency regarding an unpaid loan with a High Street lender and on speaking to her sister in law in Southampton she had also borrowed £2,500 from her. Eleanor was no longer taking care of herself (wasn't eating, washing etc) and having hallucinations. She was socially isolated and we think the scam mail gave her something to do with her time as some were puzzles etc.

Eleanor's condition got worse over the next few days and she was eventually taken to hospital by ambulance. Eleanor passed away a couple of days later in hospital. Her nephew allowed us to take the photos (see below) and take away the remaining scam mail.

We can only estimate the amount of money Eleanor spent, but 2,360 items of scam mail were taken from her property after she died and she had nearly 200

letters from various scammers to whom she had sent over £3,500 over a four year period.

Eleanor was a chronic scam mail victim.



Photo showing some of the 2,360 items of scam mail found in Eleanor's House after she had died. She took out a loan for £3,000 to pay the scammers



Eleanor was 89 and lived on her own cared for by her neighbour. She slept downstairs as she had mobility issues and relied on her neighbour for hot meals as both her television and cooker were not working.

Appendix 3 – Types of Scam Mail

Name of Scam Mail	Return Address of Scam	Category of Scam	Fee (£)	Incentive	Headline 'Win'	Payment Method	Notes
International Fulfilment Registry	SRC - Processing Centre, PO Box 12956, Kansas City, KS 66112-2956 USA	Prize Chq	10.00	£735,000	£735,000	Cash, cheque or postal order	Post this card within 5 days. Do not delay - your delivery will be cancelled if we do not receive this signed card on time.
Dr Grant	Dr Grant, PO Box 1061, NL-3600 BB Maarssen, The Netherlands	Prize draw	35.00	Save 89% on fee £35 or £40 instead of £280	£18,000	Cheque	
Merchandise Logistic Solutions	Merchandise Processing Centre, C/O DMHK, PO Box 10580, G.P.O. Hong Kong	Container of goods	20.00		£65,485	Cheque	Canadian postal mark
Award Documentation Official (ADO)	Data Processing, 3315 Russell Rd, A-4 STE 433, Las Vegas, NV 89120-3435, USA	Sweepstakes	20.00		£33m	Cash	C died 5 years ago
Australian 6/45 Superdraw	Prizemasters Australia, PO Box 2899, Southport, QLD, 4215, Australia	Superdraw Syndicate	10.00	6 Free Games Exclusive prize draw - free trip to Sydney or AUD\$ 5,000 cash	AUD \$20m	Cash	Small print at bottom of letter: Important Information: If you win any prize playing with Prizemasters, we will never require you to pay any additional money to receive your prize
Baroness de Rothman	Baroness de Rothman, PO Box 113, NL-3960, BC Wijk bij Duurstede, The Netherlands	Winning Prize	40.00	Immediate acceptance of my cheque for £1,500 Save 50% off symbolic participation	£23,960	Cheque	