

LONDON BOROUGH OF BRENT AND HARROW

TRADING STANDARDS ADVISORY BOARD – 1st DECEMBER 2008

REPORT NO. 02/08 FROM THE DIRECTOR OF TRADING STANDARDS

FOR INFORMATION

TITLE OF REPORT: Six Monthly Report on the Operation of the Trading Standards Service: April – September 2008

1.0 SUMMARY

- 1.1 This report updates Members on the operation of the Service over the first six months of the current financial year.

2.0 RECOMMENDATIONS

- 2.1 That Members consider the content of the report and comment as appropriate.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications contained within this report.

4.0 STAFFING IMPLICATIONS

- 4.1 The current staffing situation is contained within the report.

5.0 DETAIL

- 5.1 The report is attached as an Appendix.

6.0 BACKGROUND INFORMATION

- 6.1 Details of Documents:-
Infringement Book
Monthly Statistical Printouts

Anyone wishing to inspect the above should contact Nagendar Bilon, Director of Trading Standards, 249 Willesden Lane, London NW2 5JH, Telephone 020 8937 5500.

NAGENDAR BILON
DIRECTOR OF TRADING STANDARDS

Appendix 1

Six Monthly Report on the Work of the Trading Standards Service

1.0 Introduction

I have pleasure in presenting the Trading Standards Service's six month report on the operation of the Service for 2008/09. Full details are enclosed in the report and statistics showing our performance against targets can be found from Page 12 onwards. I should like to thank all the staff in the Service who have made such a considerable contribution to the work that has been carried out and am grateful for their support.

I am pleased to say that the four ring-fenced Team Leader positions have now all been filled by existing Senior Officers. These Officers will carry out the day to day supervision of their respective team members and be able to commit the proper amount of time to appraisals, monitoring of workload and staff development.

An Officer from the Service is about to start a secondment with the Metropolitan Police working with the Regional Assets Recovery Team. Based at Scotland Yard, this is an excellent opportunity for the Service's Financial Investigator to gain firsthand experience of the Proceeds of Crime Act. While there, he will work on our investigations and will be able to benefit from the assistance of experts in this field of legislation.

A member of the team was one of the first graduates in Brent Council of the award-winning Springboard personal development programme designed specifically for women, which combines self-paced learning with a specially researched workbook, support networks, role models and one-day workshops all spread over a three month period. We also continue to support a number of staff through different stages of the Diploma in Consumer Affairs and Trading Standards (DCATS).

In May, the Unfair Commercial Practices Directives was implemented into UK law as the Consumer Protection from Unfair Trading Regulations 2008. As a consequence, a number of other pieces of legislation have been either partly or totally revoked, some of them traditional cornerstones of Trading Standards work. This is the biggest change in consumer protection law for forty years. Training for staff has been ongoing for a while and will continue. While the staff know all about the new law, it will take time for us to get completely used to the changes and how they will be interpreted by the courts. Business education on the new law is also a priority. I have completed a separate report on the scope of this and some other recent changes in legislation.

The Service seeks to address its areas of work by:-

- Inspections of businesses
- Information gathered from crime mapping intelligence
- Project work
- Complaints made by members of the public as well as disgruntled traders who are adversely affected by the illicit trading of others.

2.0 Development and Support Team

The Development and support team are responsible for:-

- Investigation and mediation on complex civil law complaints
- Initial consumer advice for all residents of Brent and Harrow
- Education programmes
- Performance and service development
- Consultation
- Management of the weights and measures laboratory
- Management of the IT facilities
- Administration
- Finance

Consumer Advice

As well as providing administrative support to the Service, it has been a busy six months of this year. In August one of the two Consumer Advisors took up another post within the Service and we were able to internally promote a Customer Services Office into the role of Consumer Advisor. The team has dealt with 1783 requests for action from both traders and the public seeking help and assistance on a wide range of legal issues.

As can be seen from the organisational chart we have two civil advisors who deal with the more complex civil cases, particularly from those residents deemed to be the most vulnerable.

In this period the civil advisors saved Brent consumers £11,803 and Harrow consumers £20,858 by way of refunds, exchanges, repairs and negotiated final payments. Examples of the type of work are shown below.

- A consumer opened an account with a High Street Bank and he then travelled out of the country failing to deposit any money in his account. For the 23 months he was away the account was dormant. The consumer was charged a maintenance fee of £15 each month which was part of the terms and conditions of the account. The consumer tried to resolve the matter himself but did not get anywhere with the bank. He then contacted us and after several letters and phone calls to both the bank and debt collectors, the bank agreed to close the account and write off the amount of £432.93.
- A consumer, who's English is very poor, unknowingly entered into a contract on the internet with a broadband supplier. Unfortunately, on receiving the USB modem, the consumer assumed it was free. The consumer soon started receiving bills which he disputed and kept on receiving letters demanding payment. We intervened on the consumer's behalf managing to obtain a refund of the 3 months line rental (£51.63) as well as having the contract

cancelled. This also saved the consumer a further 24 months line rental totalling £360.

- A consumer purchased sofas from a retailer years ago for £2065. Within a year the consumer noticed that the cushions had sunk considerably. When they complained to the trader they refused to give her any redress. The consumer then contacted the Furniture Ombudsman who were unable to assist the consumer as she did not stick to their deadline for returning the paperwork for her claim. The consumer then complained to us and, with our assistance, made a claim in the County Court. One day before the Court hearing, the trader offered an out of court settlement agreeing to pay the consumer £1665, which was the amount she paid less £400 deducted for usage.
- A consumer purchased a washing machine from a national electrical retailer and within months the washing machine became faulty, destroying some of the consumer's clothes. After negotiating on behalf of the consumer, the trader agreed to replace the washing machine and compensate her for the damage done to her clothes, saving the consumer a total of £550.

Computers & IT

Due to policy requirements by Finance Department, all supplies of computers, printers and photocopiers after 1 April 2007 must be made through Brent's Information Technology Department (IT). There is now a regular lifecycle of five years rather than buying new computers when there is finance available. There is now an annual charge for each computer, printer, server and telephone connected to the network.

Most staff now have a computer purchased in the last three years and all have a 19" LCD screen. All these new computers have been configured internally before use. We will soon take possession of 4 'tablets' – miniature computers – so that staff can enter inspection details while onsite as well as having access to real time information while out and about on visits.

The old computers and screens have been returned to IT, where the screens will be re-issued and the computers given to a charity who supply second hand but working computers to schools in Africa.

Metrology

The Service undertakes the testing of the following standards under contract for the boroughs of Barnet, Kensington & Chelsea, Hillingdon, Ealing and Camden:-

- Working Standard weights (every 12 months)
- Glass capacity measures (every 24 months)
- Liquid fuel measures (every 6 months)
- Balances (every 6 months)

Out of the thirty two London boroughs we are one of seven services that hold notified body status for testing non-automatic weighing machines (NAWI) and liquid fuel

measuring instruments (MID). Being a notified body means that we can test this type of equipment for surrounding authorities.

Our quality and technical manuals have been updated for a new Quality Standard and the inclusion of the liquid fuel measuring instruments (MID). We are now waiting for an officer from Havering Trading Standards to carry out the external quality audit to ensure that we remain a notified body.

Service Promotion

We attended the Under One Sky festival in Harrow and the Respect festival in Brent. An officer has also attended the North West London College Fair. A strategy has now been developed to address the issue of doorstep crime, which mainly affects older vulnerable groups in the boroughs. The strategy is detailed later in this report.

Consultation continues on a monthly basis with consumers and businesses that come into contact with the Service. To date, no businesses are dissatisfied with our service, customer satisfaction is 85.1%. To date this year we have had no complaints against the Service and we have received two freedom of information enquiries.

3.0 Metrology and Safety Team

The main functions of this team are to ensure that:-

- Children are not sold age restricted goods.
- Consumers are not sold or supplied with unsafe goods.
- Consumers are not misled as to the price of goods or services.
- Consumers who buy goods based on quantity receive the correct quantity.

Age Restricted Goods

As always, the protection of children is of paramount importance to the Service and the Local Authority, which reflects the views of the wider community and central Government. In fact, a number of current Government initiatives are concerned with the reduction of youth knife crime and anti-social behaviour fuelled by underage drinking. The numerous incidents in London concerning youth knife crime have been highly publicised and are a major focus for the Service. The Service has received funding from the Home Office to play an active part in 'Operation Blunt II' to tackle the issues surrounding knife related crime. Brent and Harrow Trading Standards Service is one of the most proactive of all London authorities in carrying out underage test purchasing activities in the enforcement of legislation that restricts the sale of goods such as knives, alcohol, solvents, cigarettes, lottery tickets and DVDs to children.

The team has set itself a considerable target of carrying out 500 test purchase visits across the two boroughs. I am pleased to report that we made 258 such visits in the six months to the end of September 2008. There were 21 sales from these operations which represents a disappointing 8% failure rate.

When conducting underage operations we normally use children who, by their appearance, are obviously too young to purchase the products they attempt to buy. However, during one specific operation we had the opportunity to work with a 14 year old boy, who was bigger than average for his age, but surprisingly not the biggest in his class. By using this child, we sought to provide a much stiffer test to the 'Challenge 21' and 'Think 21' schemes which are currently being used by a large number of businesses. The aim was to determine whether their systems were robust enough to prevent a child who did not fit the traditional profile from buying alcohol. We found a staggering 25% of retailers sold to the child, even though they all had electronic till systems which produce till prompts when age restricted products are scanned and require the sales assistant to take positive action by overriding the till message before proceeding with the sale.

On certain operations, we work closely in partnership with the Police and other Council Departments. As the Service is regarded by the Trading Standards community as one of the leading lights in terms of underage sales, the team has had many opportunities to work alongside the media, such as Sky One, Which? Magazine, Sunday Mirror, BBC Newsround, BBC Radio 4, BBC London Tonight and the Trading Standards Institute to highlight the issues surrounding such sales.

In our constant pursuit to reduce avenues of supply of age restricted goods to underage children, a number of large and small on-line retailers were surveyed last year to determine whether they would sell alcohol, spray paints and knives to our volunteer children. The child used a debit card, which can be issued to children as young as 10, to make the on-line test purchases. Where sales did take place, the cases are under investigation and will be reported on in the full annual report. The survey, which I believe is one of the first in the country, found an alarming seventy five percent of on-line retailers supplied goods which were age restricted.

Margaret Moran, M.P. for Luton South has proposed a Private Members Bill to make it mandatory for on-line retailers to use age verification software to ensure children are not supplied with age restricted goods. I hope to be able to provide an update on the situation for the end of year report.

In order to gather more intelligence, the Service is looking to launch a new initiative aiming to encourage school children, teachers and parents to pass on information about retailers selling age restricted goods to children. The information can be passed on anonymously, via a free text messaging service. It is hoped that this will encourage children to provide information in way that they are familiar and comfortable with. The scheme is a joint venture between the Police Schools Officers and Trading Standards, and will be launched this year by distributing posters and piloting talks at a few schools. It is envisaged that it will be rolled out to all the secondary schools across both boroughs in due course.

Where sales do take place, the Service takes a very serious view. We have taken a large number of prosecutions against retailers who have sold age restricted goods to children. For example, in September 2008 four local retailers were fined a total of £3,900 by Magistrates and ordered to pay a further £3,412 in prosecution costs.

The Service has also been heavily involved in the revocation of alcohol licenses of one retailer in Harrow and another in Brent. Following underage sales of alcohol to

child volunteers, the Police Licensing Division discovered other irregularities, which were the subject of hearings in front of the respective Licensing Committees. These cases highlight the importance of partnership working and taking a holistic approach in dealing with problems of this nature.

Trading Standards Officers in conjunction with Brent Council Health Safety and Licensing have worked with the police with the licensing trade to launch Best Bar None 2008. Best Bar None is an accredited award scheme which is supported by the Home Office, and aimed at raising standards, promoting responsible management and operation of alcohol licensed premises. In addition, as part of the scheme, each member was required to join the Responsible Trader Scheme. Currently there are 187 members of the Responsible Trader Scheme and we hope that we will reach our target of 300 members across both boroughs by the end of the financial year.

Consumer Safety

The team continued its invaluable work in providing free child car seat testing during Child Safety week. This year a total of 32% of the 60 car seats tested were found to be incorrectly fitted. This represents a slight decrease in the failure rate from last year and once again highlights the necessity of carrying out such proactive safety projects.

Testing electric blankets is aimed at ensuring blankets used in the home, primarily by the elderly, are safe. Despite carrying out testing for many years, around 20% of electric blankets tested still failed the safety testing, being faulty and dangerous. As always the users were very grateful for the service provided and the potential dangers that may have been avoided.

The increase in the volume of toys and electrical goods being imported from the far east have resulted in some highly publicised safety alerts from major producers last year. The problem is likely to get worse with the importation of cheap and in some cases unsafe goods. As previously mentioned, this Service is actively looking to convince Government that the enforcement of the safety of products cannot be left to fade away as this will inevitably result in dire consequences.

Previous work with other North West London Trading Standards Services has consistently uncovered safety issues with cheaper electrical products. We therefore carried out a project with those Services, looking at the safety of mobile phone chargers. The results were alarming, 67% of the samples failed safety tests and had the potential to cause injury due to electric shock or to overheat potentially causing a fire.

On a different note, a Harrow trader was recently prosecuted for having unsafe dolls, toy mobile phones and radio controlled toys in his possession. The dolls represented a choking hazard while the noise emitted by the toy mobile phones was louder than the permitted level and could cause damage to a child's hearing. The transformers of the radio controlled toys were so dangerous that they were likely to cause an electrical shock to users. The company and its director pleaded guilty and were fined a total of £22,500 and ordered to pay over £2000 in prosecution costs.

Pricing

One case on misleading prices was the case of a car clumper who charged two consumers £480 each for parking their cars on private land. The normal fee for unclamping a vehicle was £130 but the clumper had 'padded' the bill with bogus extra costs, including a tow removal fee of £250, a call out free of £60 and a storage fee of £40. The trader pleaded not guilty and opted to have his case heard at Crown Court. After a 3 day trial, he was found guilty and ordered to pay over £12,000 in fines and costs. He was also ordered to pay full compensation of £480 to each consumer.

Weights and Measures

Weights and Measures is an important and traditional area of work for the Service. Over £1 billion worth of retail trade is carried out by reference to quantity every day and it is important to ensure that ordinary consumers receive the quantity that they have actually paid for. As well as this, weighing and measuring equipment is also used in hospitals to determine a patient's weight to help with assessment and to calculate the correct dosage of drugs; any significant inaccuracies could have alarming results. The Service took part in a national programme of inspections of hospitals in both boroughs to evaluate whether their equipment was accurate and being used appropriately.

The first phase of this project was to carry out visits to test the equipment and determine the knowledge of the users. The results of the survey were astonishing – in some cases the machines were not calibrated for accuracy, while some equipment was being moved from ward to ward without ensuring it was levelled and correctly set up to be able to measure reliably. The resolution of some equipment was inappropriate for its intended use, being unable to give accurate enough readings. There was also a general lack of staff training. The appropriate member of the management team in each hospital was advised of the detailed results and to replace or repair the equipment in question. The advice was received positively and a course of action to rectify the failures agreed. The hospitals are due a revisit before the end of the financial year to check what action has been taken to rectify the issues raised.

Another area of concern is the growing trend of selling fruit and vegetables by the bowl instead of by net weight or number as required by law. This practice does not allow consumers to compare like for like and make an informed decision about whether they are getting value for money. As this is a London-wide issue, the Service is carrying out a joint project with the North West London Trading Standards Services to ensure that there is consistency in approach and enforcement across neighbouring boroughs.

The Harrow team also carried out visits to licensed premises to determine whether in the current economic climate, alcohol is being substituted. Some fake spirits can even contain methanol, which can cause blindness to the consumer. The team used a piece of equipment called a spectrometer, which uses light technology to determine whether a purported brand of alcohol is in fact that brand. We found two bars that failed the screen test as having a different spirit in the bottle than that on the label. The cases will be investigated further once we receive conclusive results from the public analyst.

4.0 Fair Trading Team

The new financial year got off to a busy start with 43 local businesses under investigation after they were found offering fake goods for sale from their premises such as packets of Duracell batteries, Clipper lighters, Gillette razors and even counterfeit packets of Durex condoms.

The Fair Trading Team's first court case for the financial year was in May. A building contractor pleaded guilty to offences for falsely advertising that he was registered with the Council for Registered Gas Installers (CORGI), the Federation of Master Builders (FMB) and the European Builders Confederation (EBC). A local resident had contacted the trader to install a gas hob but became suspicious when after the hob was installed he was unable to provide the consumer with a gas safety certificate. He was fined £3,000 and ordered to pay prosecution costs of £783.

A couple of weeks later, a Wealdstone trader pleaded guilty to offences for supplying counterfeit Hewlett Packard and Samsung printer cartridges. The investigation revealed that the defendant was wholesaling printer cartridges to retailers across the UK, over the internet, at more than 50% below market value. Over 200 Hewlett Packard and Samsung counterfeit printer ink cartridges were seized. He was fined £2,000 and ordered to pay £1,700 costs.

Another investigation started in 2005 with a tip off from a national courier company who had become suspicious of parcels containing DVDs which they had been asked to deliver to the defendant's home address. Controlled deliveries of further illicit DVDs ordered by the trader were made to his home address. This led to the search of his home where a huge number of DVDs was seized which were identified as being either counterfeit or unclassified.

In July 2008, he was handed a 9 month suspended prison sentence, 200 hours unpaid community service and a £1,200 fine by Harrow Crown Court for supplying counterfeit and unclassified DVDs. In sentencing, His Honour Judge Wulwik stated, "These offences are committed for one reason only, that is for personal gain". This was the second time that the defendant had been caught selling illicit DVDs. He had pleaded guilty to similar offences in February 2006 at Harrow Magistrates Court.

During this period the team also received a number of complaints about bogus colleges. In July, one college based in Willesden and its Director were fined a total of £9,000 by Brent Magistrates Court and ordered to pay £1,509 in prosecution costs.

They had falsely advertised on their leaflets and website that they had been accredited by various bodies, such as Investors in People, Chamber of Commerce, British Accreditation Council, British Computer Society, the Institute of Commercial Management and claimed to be approved by Virgin Atlantic and the Guild of British Travel Agents. Trading Standards Officers obtained evidence from the various organisations whose logos had been used who all confirmed that no such approval or accreditations had been granted.

The Service hit the television news and made the national papers in August 2008 following a case involving our largest seizure of fake goods from one individual. Had the seized 17,000 pairs of counterfeit Nike and Y-3 trainers been genuine, they would have been worth at least £1million. The trader in question imported the trainers and distributed them across the country. Five separate seizures were carried out at self-storage units in Hertfordshire, Berkshire, Middlesex and London.

Sentencing the trader at Harrow Crown Court to three years in prison, Judge Bernard Richmond QC said, "You engaged unlawfully in a very well organised and sophisticated business importing and selling fake trainers. What you have done over the last few months has effectively deceived everybody and that cannot be tolerated".

Another investigation started following a consumer complaint alleging that he had purchased a Seat Alhambra motor vehicle with 77,000 miles on the clock from a car dealer, but it later transpired that the car's true mileage was in excess of 135,000 miles. Following intervention by Brent & Harrow Trading Standards, the consumer returned the car to the trader and obtained a full refund.

However, we were shocked when we spotted that the trader had failed to heed the advice that had been given to him and proceeded to resell the vehicle again with the same incorrect mileage. Over five months, three further cars were discovered which had been sold with incorrect mileages. An Audi A4 had had its mileage reduced from 217,000 to 90,000 miles and two more Seat Alhambra cars had been 'clocked' from 225,000 to 90,000 miles and from 150,000 to 72,000 miles respectively. Officers took statements from over 20 witnesses, some of whom had bought clocked cars and, as a result, had suffered a financial loss. These victims had no knowledge that they were buying clocked cars.

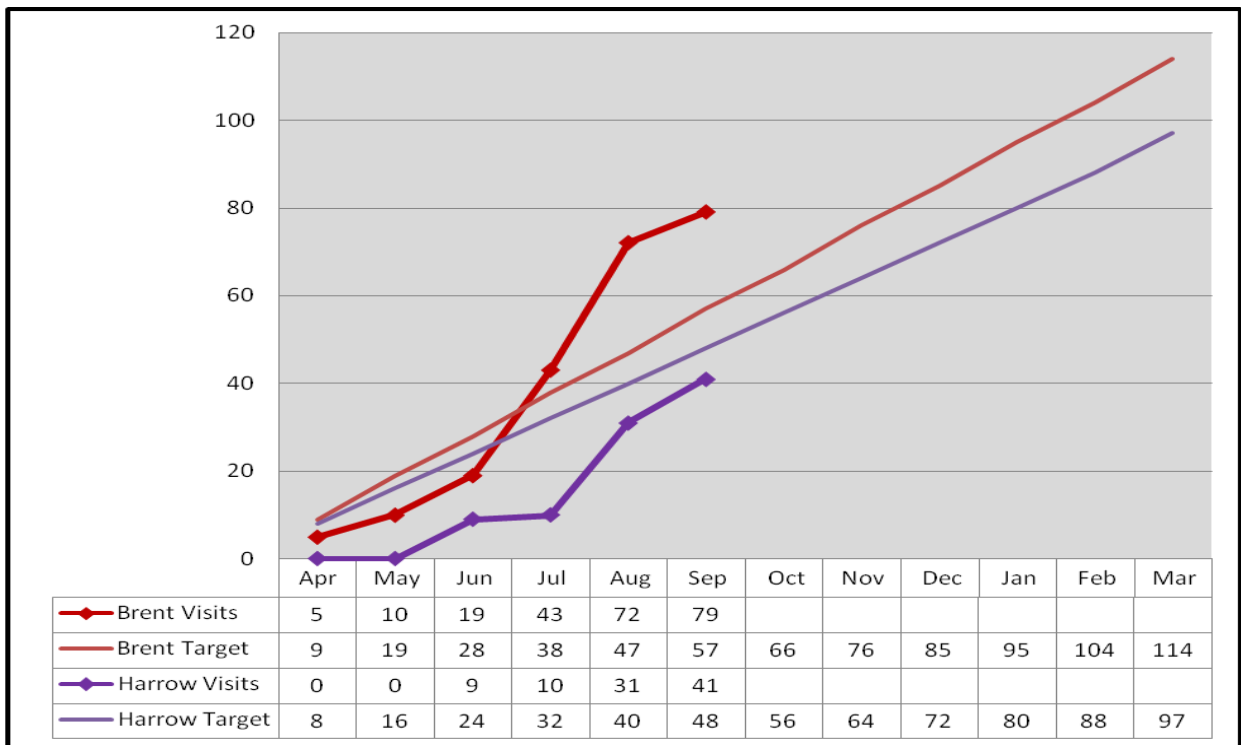
In September this Harlesden based trader pleaded guilty to four offences under the Fraud Act 2006 at Brent Magistrates Court for selling 'clocked' cars to unsuspecting members of the public. He was fined £3,600 and ordered to pay prosecution costs of £2,664.

Finally, the Fair Trading Teams have been busy developing their rapid response protocol to deal with doorstep crime and cowboy builders. Information packs have been developed for distribution to vulnerable consumers, educational presentations have been given in partnership with the Police to suitable audiences and the teams have responded to several calls to prevent unscrupulous builders.

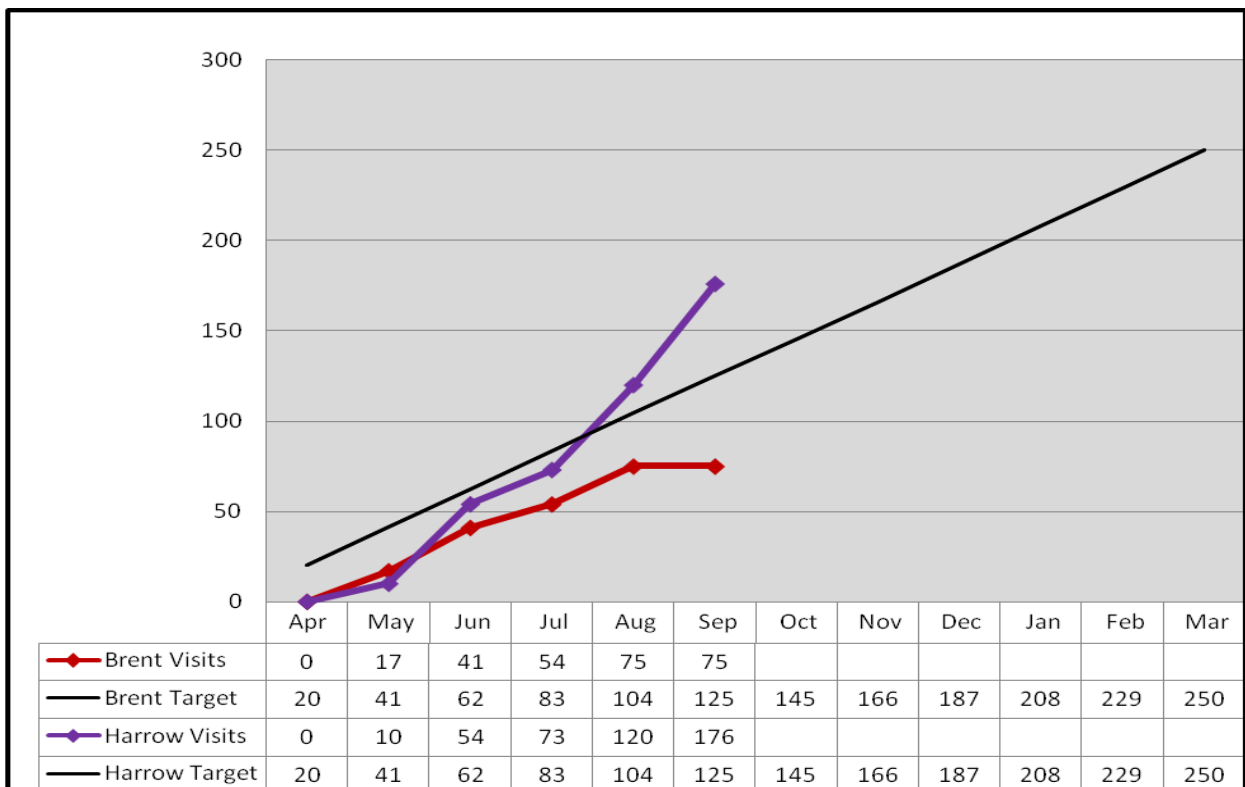
In one instance, an elderly resident had reluctantly paid £24,000 for unnecessary damp proofing work. Trading Standards Officers were alerted to this after a member of staff in a Harrow bank had become suspicious of the workman who had escorted the victim to withdraw cash. The workman never returned to complete the job but at least the elderly lady did not part with the remaining £6,000 that the workman had demanded from her.

The teams from both Boroughs and Harrow Police joined forces in May to take part in 'Operation Rogue Trader'. A total of 31 builders were subjected to spot checks to ensure they were all complying with the appropriate legalisation and trading honestly.

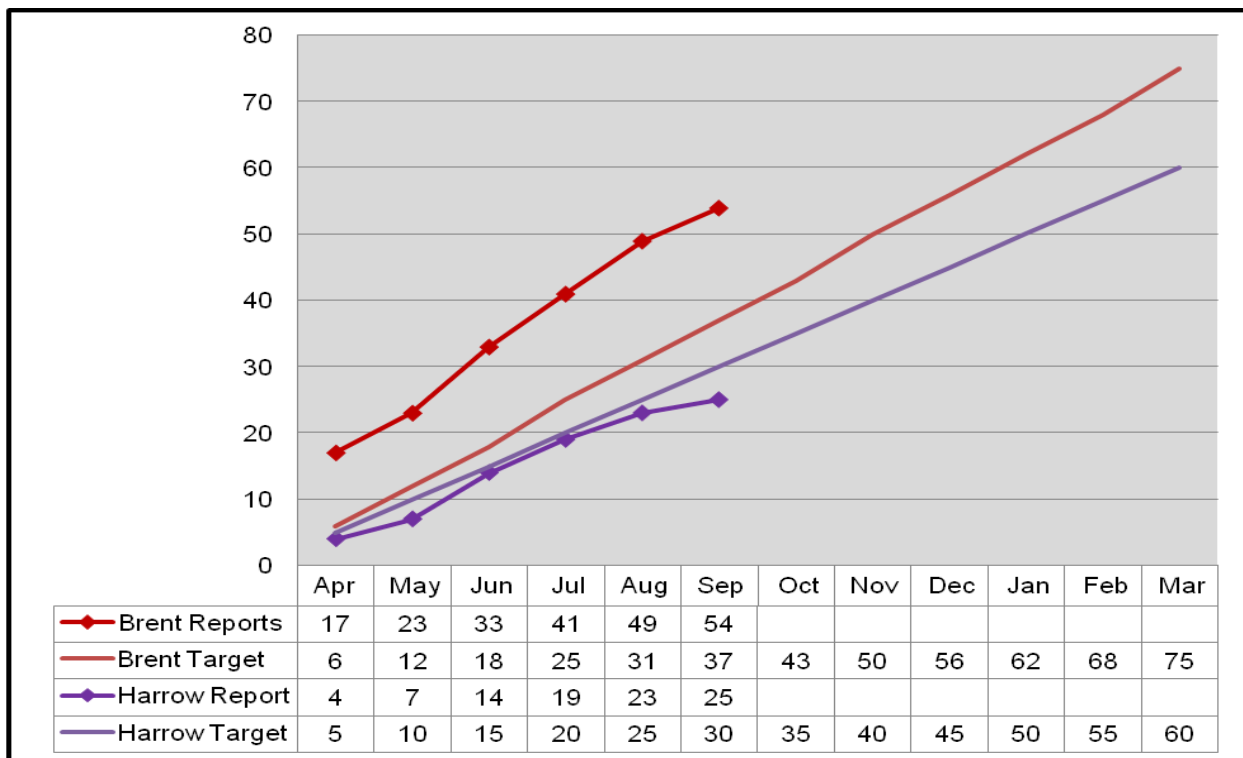
2008/9 High Risk Inspections - cumulative



2008/9 Underage Sales Test Purchase Visits - cumulative



2008/9 Criminal Reports Submitted - cumulative



2008/9 Criminal Reports Concluded

Number of entities (individuals and companies) against whom action has been taken.

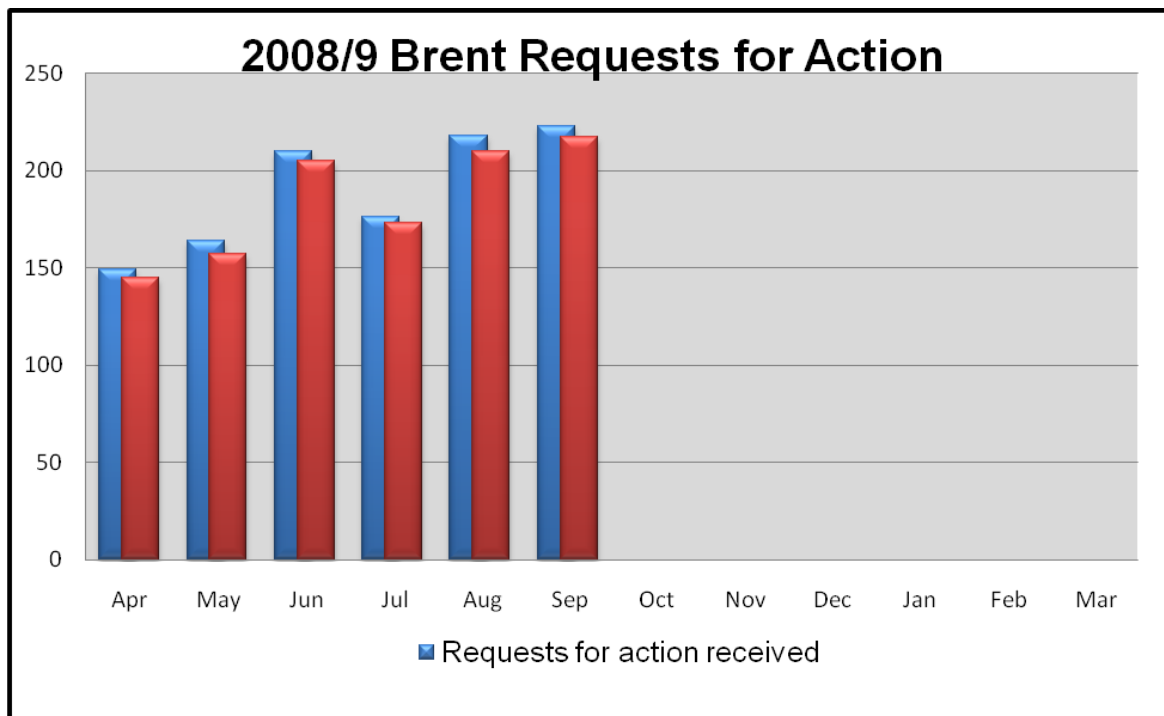
| | Prosecution | Simple Caution | Letter of Warning | No further action | Total |
|---------------------------|-------------|----------------|-------------------|-------------------|-----------|
| Underage Sales | 17 | 6 | 2 | 0 | 25 |
| Safety | 5 | 3 | 0 | 1 | 9 |
| Pricing | 1 | 1 | 0 | 0 | 2 |
| Trade Marks | 6 | 9 | 24 | 3 | 42 |
| Other Fair Trading | 13 | 2 | 2 | 1 | 18 |
| Total | 42 | 21 | 28 | 5 | 96 |

Total prosecution fines: £68,350

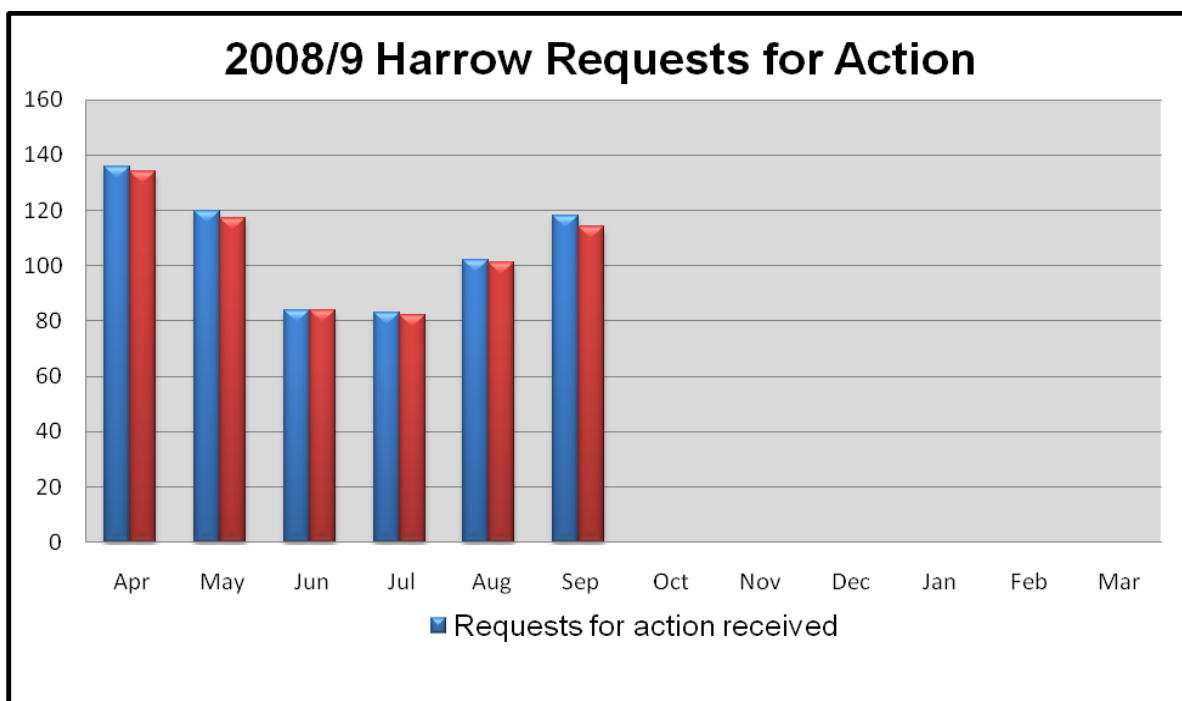
Total costs awarded: £38,256

Other sentences: -

- 9 months prison sentence and 200 hours community service
- Conditional discharge for 1 year

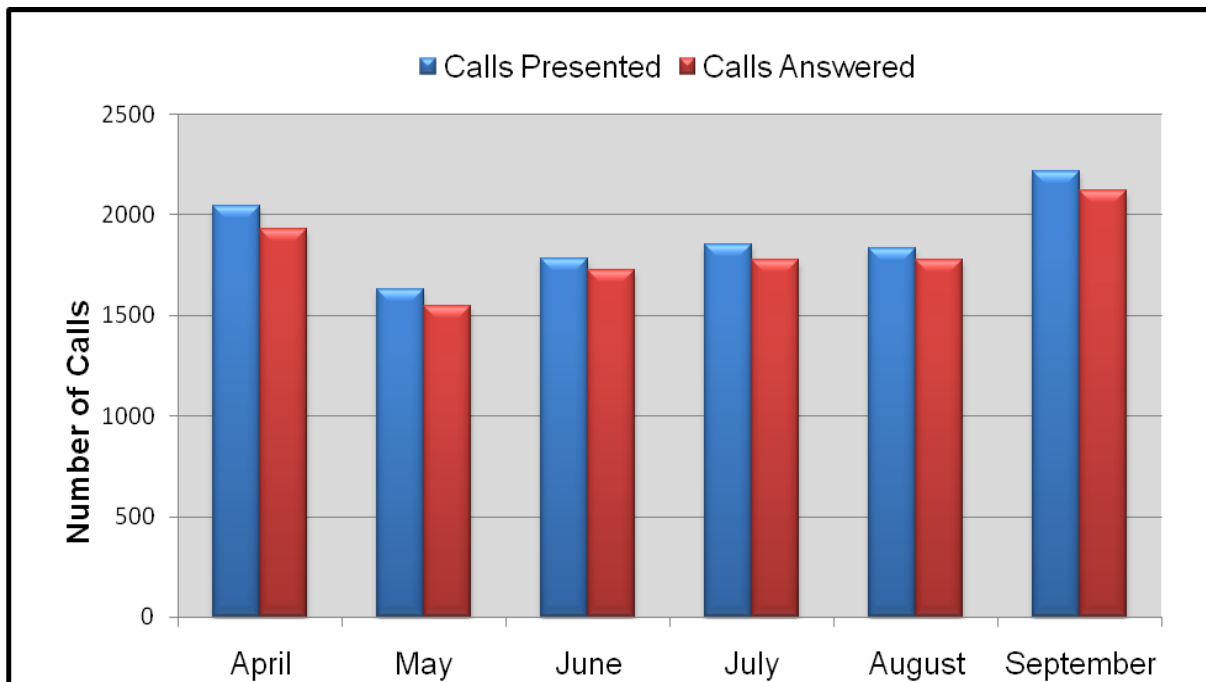


| | Apr | May | Jun | Jul | Aug | Sep |
|--|-----|-----|-----|-----|-----|-----|
| Requests for action received | 149 | 164 | 210 | 176 | 218 | 223 |
| Requests for action within response time | 145 | 157 | 205 | 173 | 210 | 217 |
| Percentage within response time | 97% | 96% | 98% | 98% | 96% | 97% |



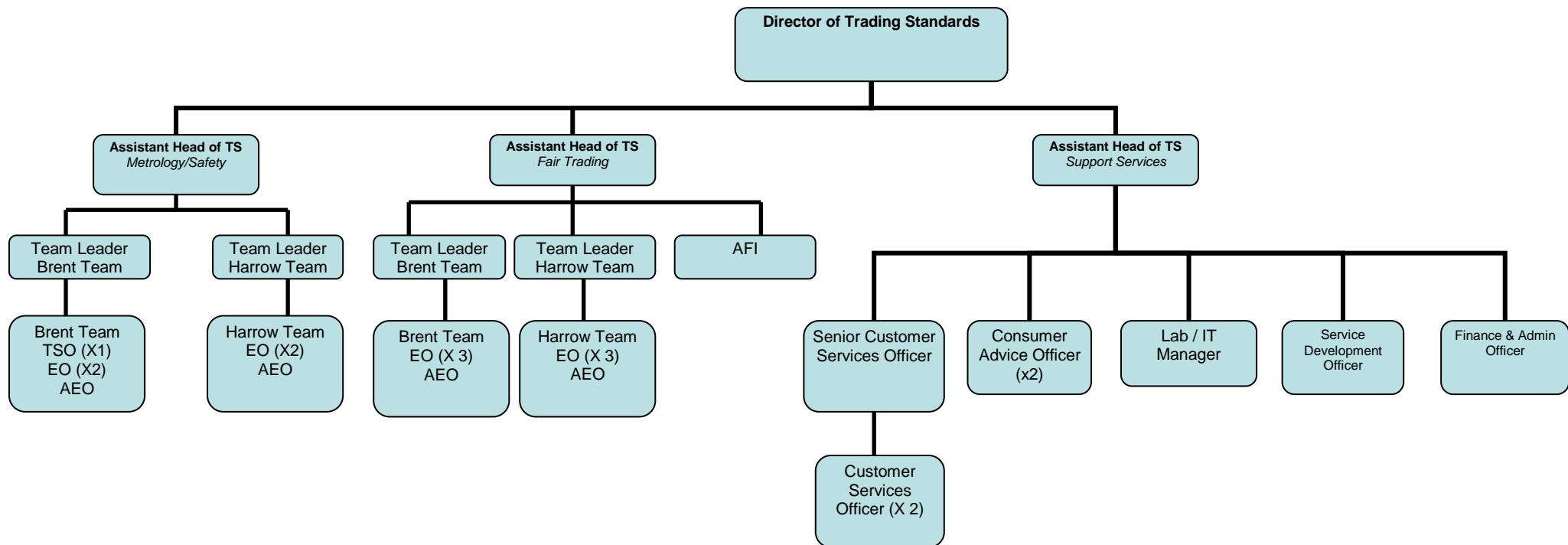
| | Apr | May | Jun | Jul | Aug | Sep |
|--|-----|-----|------|-----|-----|-----|
| Requests for action received | 136 | 120 | 84 | 83 | 102 | 118 |
| Requests for action within response time | 134 | 117 | 84 | 82 | 101 | 114 |
| Percentage within response time | 99% | 98% | 100% | 99% | 99% | 97% |

Telephone Performance



| Month | Calls Presented | Calls Answered | | Average time to answer (seconds) | Percentage answered within 15 seconds on answered calls | Percentage answered within 15 seconds on all calls | Engaged | | Abandoned | |
|-----------|-----------------|----------------|------------|----------------------------------|---|--|---------|------------|-----------|------------|
| | | Count | Percentage | | | | Count | Percentage | Count | Percentage |
| April | 2046 | 1927 | 94% | 4 | 99% | 93% | 29 | 1% | 90 | 4% |
| May | 1630 | 1544 | 95% | 4 | 99% | 94% | 13 | 1% | 73 | 4% |
| June | 1779 | 1726 | 97% | 4 | 98% | 95% | 13 | 1% | 40 | 2% |
| July | 1850 | 1777 | 96% | 4 | 99% | 95% | 20 | 1% | 53 | 3% |
| August | 1835 | 1776 | 97% | 3 | 99% | 96% | 23 | 1% | 36 | 2% |
| September | 2217 | 2121 | 96% | 4 | 99% | 95% | 41 | 2% | 55 | 2% |

Trading Standards Structure



TSO = Trading Standards Officer
 AFI = Accredited Financial Investigator
 EO = Enforcement Officer
 AEO = Assistant Enforcement Officer