



## Trading Standards Joint Advisory Board

**Thursday, 9 December 2010 at 7.30 pm**  
Harrow Civic Centre, Committee Room 6, 1st Floor, Station Road, Harrow HA1 2UH

### Membership:

<b>Members</b> Councillors:	<b>Representing</b>	<b>First alternates</b> Councillors:	<b>Second alternates</b> Councillors:
Jones	LB Brent	Powney	Beswick
Hashmi	LB Brent	Brown	CJ Patel
Baker	LB Brent	BM Patel	HM Patel
Hall	LB Harrow	Dhamarajah	
O'Dell	LB Harrow	Maru	
Ferry	LB Harrow	Mithani	

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For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: [www.brent.gov.uk/committees](http://www.brent.gov.uk/committees)

**The press and public are welcome to attend this meeting**

# Agenda

Introductions, if appropriate.

Election of Chair for the meeting (from amongst the Brent members)

Apologies for absence and clarification of alternate members

Item	Page
<b>1 Declarations of personal and prejudicial interests</b>	
Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
<b>2 Minutes of the previous meeting held on 29 July 2010</b>	1 - 4
The minutes are attached.	
<b>3 Matters arising</b>	
<b>4 Half Yearly Report: Six month report on the operation of the Service - April 2010 to September 2010</b>	5 - 20
<i>This report updates Members on the operation of the Service over the first six months of the current financial year.</i>	
<b>5 Government's comprehensive spending review and the consumer landscape</b>	21 - 28
This report provides Members with details of the Government's recent announcements relating to the proposals for the new consumer landscape agenda and the future of consumer protection services.	
<b>6 Date of next meeting</b>	
The next meeting of the Trading Standards Joint Advisory Board will be held on Monday, 21 March 2011 at 7.30 pm at Brent Town Hall.	
<b>7 Any other urgent business</b>	
Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager (London Borough of Harrow) or his representative before the meeting in accordance with the constitutions of both Councils.	



Please remember to **SWITCH OFF** your mobile phone during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.
- Toilets are available on the second floor.
- Catering facilities can be found on the first floor near The Paul Daisley Hall.
- A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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## LONDON BOROUGH OF BRENT

### MINUTES OF THE TRADING STANDARDS JOINT ADVISORY BOARD

Thursday, 29 July 2010 at 7.30 pm

PRESENT: Councillor Jones (Chair, LB Brent) and Councillors Ferry (LB Harrow), Maru (LB Harrow) and CJ Patel (LB Brent)

Apologies were received from: Councillors Hashmi, Baker (LB Harrow), Hall and O'Dell (LB Harrow)

#### 1. **Election of Chair**

RESOLVED:-

That Councillor Lesley Jones (Brent) be elected as the chair for the meeting.

#### 2. **Minutes of the previous meeting**

RESOLVED:-

That the minutes of the last meeting held on 22 March 2010 be agreed as an accurate record.

#### 3. **Matters arising**

None.

#### 4. **Annual report of the Head of Trading Standards for the year 2009/2010**

The Board received an annual report from the Head of Trading Standards that detailed the work of Brent and Harrow Trading Standards Service (the consortium) for the financial year 2009/2010. In giving an overview of the work undertaken by the consortium, the Head of Trading Standards, Nagendar Bilon highlighted the variety of ways in which the consortium carried out its work. These included informing residents of their rights when dealing with businesses; ensuring that businesses traded legally; enforcing fair and safe trading environment; ensuring an efficient, effective and improved trading standards.

Nagendar Bilon drew members' attention to the consortium's achievements over the year which were quite detailed in the report and covered amongst others performance, doorstep crime, underage sales, fight against fakes and on-line traders. He also outlined the pressures facing the consortium in the present economic climate characterised by the recession, the rising trend of illegal traders and counterfeiter and the vulnerability of the general public when times were

difficult. The above pressures placed extra demands on the consortium's services at a time when it was facing budgetary and resource pressures.

In welcoming the annual report members praised the consortium's officers for the services.

RESOLVED:

That the annual report for the year 2009/2010 be noted.

**5. Update on the provisions of Section 75 of the London Local Authorities Act 2007**

The Board received a report that recommended to both Brent and Harrow to adopt the new provisions under Section 75 of the 2007 Act and that the functions be treated as non executive functions by delegating the exercise of these functions to the appropriate Officers within the respective Councils. The adoption of the provisions and their implementation would require all current and future mail forwarding business to be registered with their respective Council, keep records of persons using mail forwarding and holding services, and to keep those records open to inspection by authorised officers. The Act creates offences and makes provision for enforcement of Section 75 using powers under Section 28 of the Trade Descriptions Act 1968

If adopted, the scheme would be a tool that enforcers can use to prevent and detect various crimes and fraudulent practices particularly in the run up to the Olympic and Paralympic Games, thus saving them time and resources to concentrate on other aspects of their duties. The one-off fee charged per application of £80, in line with other London Councils, would enable the Local Authorities to offset the administrative and enforcement costs.

RESOLVED:-

- (i) That That the Board approves the submission of a report by the Head of Trading Standards to the Executive of each Council to adopt the provisions under Section 75 of the London Local Authorities Act 2007.
- (ii) That the Board members recommend to their respective Executives that they adopt the above provisions under Section 75 and to treat the relevant functions as non-executive for the purposes of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 by delegating the exercise of these functions to the appropriate Officers within the respective Councils.

**6. Any other urgent business**

None.

7. **Date of next meeting**

RESOLVED:-

To note that the next meeting of the Trading Standards Joint Advisory Board would be held on Thursday 9 December 2010 at Harrow Civic Centre.

The meeting closed at 8.00 pm

L. JONES  
Chair

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**London Boroughs of Brent and Harrow  
Trading Standards Advisory Board  
9<sup>th</sup> December 2010**

**Report from the Head of Trading Standards**

**FOR INFORMATION**

**HALF YEAR REPORT OF THE HEAD OF TRADING STANDARDS FOR THE  
YEAR 2010/2011**

**1 SUMMARY**

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

**2 RECOMMENDATIONS**

- 2.1 That Members discuss the report and comment where appropriate.

**3 FINANCIAL IMPLICATIONS**

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

**4 STAFF IMPLICATIONS**

- 4.1 None.

**5 DETAILS**

- 5.1 The report is attached as an Appendix.

NAGENDAR BILON  
HEAD OF TRADING STANDARDS

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**Brent & Harrow  
Trading Standards Service**

**WORKING IN PARTNERSHIP**



**The Consortium of the London Boroughs  
of  
Brent and Harrow  
Trading Standards Service  
Six Month Report  
For the period ending 30 September 2010**



# Contents

- 1 Introduction**
- 2 Partnerships, Projects and Investigations**
- 3 Underage Sales**
- 4 Helping Consumers**
- 5 Conclusion**
- 6 Staff Structure**

The picture on the front cover is of some of the cars seized in a car cloning case. We then sold them and the money received went towards the £120,000 the criminals were ordered to repay following our Proceeds of Crime investigation

## Introduction

This six month report highlights the work of Brent and Harrow Trading Standards Service during the first six months of the financial year up to the end of September 2010.

### The Recession

It is especially in these times of recession that we find ourselves extremely busy as opportunist traders look for easy and sometimes illegal means of making profits to the detriment of both consumers and honest businesses. We ensure that we continue to provide advice and guidance to new enterprises to ensure that they have a sustainable business which trades legally.

### Improvement and Efficiency

We continue to decrease our reliance on paper and improve the way we work in preparation of our office move to Brent House in the New Year. As a result of the move we will be adopting smarter, more flexible working practices to make the most efficient use of the space we occupy and will introduce modern up to date technologies .

### The Media

We continue to have a high profile in the media both locally and nationally. More often than not we have one or more of our stories in the local papers and, for our bigger cases, we regularly feature in the nationals. Also, TS Today, the monthly magazine of the Trading Standards Institute, rarely has an issue without featuring one or more of our stories.

### Staffing

One member of staff successfully qualified as a Weights and Measures Inspector in the summer. Following competitive interviews, the same officer was successfully appointed to the position of Team Leader for the Brent Metrology & Safety Team.

Following further recruitment process, two Enforcement Officer posts were both filled by internal candidates. The two resulting Assistant Enforcement Officer posts are currently vacant.

Our Senior Customer Services Officer is currently on adoption leave for a year. However, we have been fortunate to have been able to recruit a redeployee on a temporary basis.

I am pleased to report that both the Service as a whole and one of our Officers, Lee Wenzel, were highly commended at this year's Anti Counterfeiting Group (ACG) Awards in May. The awards recognise exceptional achievements in anti-counterfeiting during the preceding year. Lee's award is particularly noteworthy as it was not for anti counterfeiting work itself but rather the financial investigations that he has conducted into counterfeiters that we have prosecuted.



**Our staff with the two ACG awards, flanking the ACG Chairman**

Four staff are currently compiling portfolios of work based evidence to supplement the exams they have passed under the Trading Standards DCATS qualification system. Those portfolios should be completed in the New Year.

## Financial Investigations

We continue to use all the tools at our disposal to combat serious criminals. Our work using The Proceeds of Crime Act (POCA) continues to be successful. The very nature of the criminals that we prosecute lends itself to POCA investigations and, as a result, we have a second officer who has nearly completed her training to meet this demand. We always have a number of cases 'on the go'. The two largest cases that have concluded recently are detailed below.

In May, two car dealers who had been found guilty of the UK's largest car clocking fraud were ordered to pay back over £120,000 in ill-gotten gains or face a further 20 months in prison. In the criminal investigation, which I reported in the last annual report, we uncovered a £1.5million scam involving 320 cars and an illegal profit estimated at £280,000.

In August, we secured a confiscation order for £254,000.00 following a three week trial in relation to the sale of counterfeit goods. The financial investigation revealed that he owned three houses, a business premise, a BMW, and that he had thousands of pounds in various bank accounts. These assets were all subject to restraint orders imposed by the Service in order to prevent them from being dissipated. The confiscation order has to be paid in full within six months or he will face a further three years in prison.



**The Defendant's prized possession**

## Partnerships, Projects and Investigations

### Parking penalty charge

In February this year, seven people were arrested and charged with offences under the Fraud Act 2006 after offering unauthorised parking on private land in and around Wembley Stadium. It was the culmination of a year long operation where we worked in partnership with the Police and other agencies which involved us covertly recording the suspects offering car parking spaces on event days on land which they did not have any permission to use.

In co-operation with Police officers from Stonebridge Safer Neighborhood Team, arrests were made in February 2010. The Crown Prosecution Service took the legal cases and all the defendants pleaded guilty. Their sentences ranged from a suspended two month prison sentence to 150 hours community service.

### The World Cup

In June one of our officers carried out a research project into intellectual property enforcement at the FIFA World Cup 2010 in South Africa. The study was funded by the Trading Standards Institute and the Joint Local Authority Regulatory Services. The purpose of the trip was to learn from South Africa's enforcement approach so that the UK could be better equipped to combat 'ambush marketing' and counterfeiting at future sporting events such as the 2012 Olympics.



**Our Officer assisting South African police with a seizure**

The officer shadowed Police, Customs, brand representatives and local law firms over a two week period observing how they implemented the legislation they had available to them in their fight against Intellectual Property crime. As a result of the project, the officer is now working with The London Organising Committee of the Olympic and Paralympic Games (LOCOG) and The Olympic Delivery Authority (ODA) in preparation for the London Olympics 2012.

### How much?

The Team received a request for assistance from Harrow CID, who were investigating a doorstep crime fraud offence. In June 2010, a Harrow resident was 'cold called' by a company who explained that they were aware that he had had a new roof fitted several years earlier. They claimed that the weight of the roof was going to make the house collapse and, as a result, the trader suggested strengthening the brickwork under the bay window with metal rods. The consumer was informed that the work would cost around £10,000. The work commenced and a few days into the job the price was inflated to £40,000.

After several more days the consumer was led to believe that drainage work was also required. Workmen were on site for 11 days and the victim ended up having to pay £116,000, which was made by three cheques. The 'repairs' were inspected by Harrow Building Control Officers who concluded that the work didn't need doing at all; what work they claimed to have done hadn't been done; and the price was grossly inflated by over £100,000. Enquiries revealed that the rogue builders had been active in Kingston-upon-Thames and were also under investigation by Bromley Trading Standards. The Harrow victim's cheques have since been found at a cheque cashing company in Leamington Spa by Bromley Trading Standards whilst they were executing a search warrant as part of an investigation into the same doorstep criminals. The owner of the cheque cashing company is currently facing money laundering offences



and the perpetrators of the initial crime are still being sought.

### **Money laundering**

An elderly Harrow resident, who lived alone, was 'cold called' by a man purporting to be from a roofing company, who claimed to be working in the area and asked if he could check the property for any repairs that might need doing. She agreed and was told that essential repair work was required which he could complete for a nominal fee. Once the work began the victim was told that further work was needed costing £3,500, which then rose to £14,000. The victim paid £1,500 cash and £9,500 via a bank transfer. The trader then requested a further £25,000 for more repairs which is when the lady contacted us.

We arranged an assessment of the property by an independent surveyor who confirmed that the repair work was totally unnecessary and that an extortionate price had been charged. We were unable to trace the trader but we established the whereabouts of the owner of the bank account to which the victim had transferred £9,500. We obtained an entry warrant for that woman's address in Middlesbrough and interviewed her about her involvement in the scam. She refused to co-operate or give any explanation for the £9,500 paid into her bank account and withdrawn in cash on the same day. In September, she was ordered to pay the consumer £2,000 in compensation, sentenced to 20 weeks imprisonment, suspended for 18 months and ordered to carry out 100 hours unpaid work after being found guilty of money laundering under the Proceeds of Crime Act 2002.

### **On the run**

In May we saw the defendant in a long running case sentenced to three years imprisonment. The large scale counterfeiter had pleaded guilty to our offences relating to a unit in Oriental City in July 2009 but sentencing was adjourned pending the outcome of a similar case brought by Islington Trading Standards.

After the defendant was found guilty in the Islington case he was granted bail to allow him to see his children before being sentenced. However, despite being tagged

and having to report to the Police daily, he absconded and so was sentenced in his absence and an arrest warrant for him was issued. Prior to sentencing, the Judge stated, *'That this defendant was at the top of a sophisticated structure. I know of at least one occasion where he visited China to source his goods. Successive raids on his premises by Trading Standards failed to deter him in any way. It is difficult to be precise of his level of trading but it is safe to say that it was substantial.'*

We are currently carrying out a Proceeds of Crime investigation on behalf of Islington and ourselves.

### **Counterfeiter caught**

A Harrow counterfeiter who manufactured and distributed counterfeit DVDs, computer games, software and music CDs was sentenced in May at Harrow Crown Court to six months imprisonment suspended for two years, and ordered to pay £5,000 in prosecution costs.



**Some of the copying equipment found in the counterfeiter's loft**

We conducted test purchases from his website of various items, including rare DVDs which were found to be counterfeit. Accompanied by the Police, we then executed an entry warrant at the defendant's home. There we found an 'Aladdin's cave' of over 10,000 counterfeit items along with computers, printers and copiers which were being used to manufacture the goods. The defendant's loft had been converted into a small manufacturing and storage area. At interview the defendant stated that he knew what he was doing was wrong.



## An 'Uggy' business

A husband and wife team were convicted of selling counterfeit Ugg boots. They operated at Wembley and Portobello markets, as well as, on numerous websites. The husband was sentenced to 12 months imprisonment and the wife received a six month prison sentence suspended for two years and was ordered to carry out 80 hours of unpaid community work. They were also ordered to pay a total of £5,000 in prosecution costs.

## Wembley Market

We have carried out two successful operations at Wembley Market. The first used different tactics than usual, involving Officers from the Police, HMRC's Hidden Economy Team and the Vehicle Operator Standards Agency (VOSA). Vehicles were stopped on their way to the market entrance and directed to a checkpoint operated by the different partners. There were very few individuals who made it from one end of the checkpoint to the other without there being reason for one of the agencies to investigate something further!

We seized counterfeit clothing, shoes, hair straighteners, and jewellery along with six vehicles. Two of the nine cases that we had resulting from the operation have already been to Court. The two defendants received 4 and 12 week curfew orders respectively and were required to wear electronic tags during this period.



### The multi-agency checkpoint

For the second operation we worked with Officers from the Police Territorial Support Unit and brand holders from well known companies. The intention was to arrive later in the day so that as well as seizing any

counterfeit goods, the cash that traders had on them from their day's trading could also be seized. Seven stalls were targeted and thousands of pounds were seized under the Proceeds of Crime Act as well as vans full of counterfeit goods. These cases are still under investigation.

## College Conviction

In April, a college Principal was jailed for eight months at Southwark Crown Court following a joint prosecution we took with the Office of the Immigration Services Commissioner. She was found guilty of providing immigration services when not qualified to do so and of making false statements in relation to the provision of NVQ qualifications.

The trial had taken a long time to reach its conclusion. The Principal had initially admitted the charges in 2008 but then frustrated the legal process by trying to change her guilty pleas to not guilty on the eve of the sentencing.

Students intent on improving themselves and providing a better life for their families had been drawn to her courses from abroad,. She had encouraged these students to come to her college, pay substantial fees and then provided them with what turned out to be completely worthless certificates.

In passing sentence, Recorder Catherine Newman QC said that the defendant had *"offered the students the earth, but had provided very little"*. Recorder Newman made it clear that a custodial sentence was the only option in what was a very serious case and she also ordered her to pay compensation to students amounting to £3,550.

## Weeks of action

We have taken part in a number of weeks of action in Harrow Weald, South Harrow and Harrow Town Centre, working with Officers from the Police, Licensing, Food Safety and Anti Social Behaviour teams. A number of counterfeit items were found in shops and those items were seized. A pawnbroker who was found using a scale that had not been passed as fit for use for trade was advised what he needed to do to meet his legal obligations.

## **Raising the (price of a) roof**

A Harrow resident was 'cold called' in May 2010 and was told by a trader that he needed a new roof urgently as the one he had was dangerous and could collapse at any time. The home owner was so convinced that he went to the bank and withdrew £2,500 for the deposit to secure the work. The next day, two traders came to the house and started work on the roof. They then demanded £19,000 for materials which the consumer paid by cheque. The trader left but another returned later that night stating that the work would cost a further £49,000! At this stage, the consumer requested a proper quotation and then spoke to friends and family who told him the price for a new roof would be no more than £7,000. He then complained to us.

The next morning the traders returned, started work on the roof and attempted to negotiate a new price. However, as soon as we turned up with the Police, the traders had fled across a neighbouring garden. Police Officers made a sweep of the area but the rogue traders had vanished.



### **The remnants of the consumer's roof**

Several days later the consumer contacted us to inform us that a man had called her husband stating that he was a Police Officer who was investigating what had happened to them. This person asked the victim to transfer £25,000 to an account they said they knew belonged to the rogue traders and they would apprehend them when they attempted to withdraw the money. The victim believed the story, so went ahead and transferred the money, only to find out that the call was a con. The matter is now being investigated by the Police.

## **Hospital overcharge**

A young consumer with bone cancer was seen by a leading surgeon at a local hospital over several years. It was eventually decided that she needed a major operation to have a prosthesis fitted. The family paid £20,000 for the operation, but unknown to the patient a more advanced prosthesis was used and, while it had long term benefits for the patient, it massively increased the cost. The family later learned that there was another £18,000 to pay, mainly for the advanced prosthesis.

The family agreed to pay an extra £5,000 but the hospital sought to recover the full amount. The girl's family appealed to the Department of Health, the NHS ombudsman and the then leader of the Opposition, David Cameron, but no one was able to help. When it came to our attention, we spoke to the hospital but they were adamant that they wanted the full amount and had debt collectors threatening action through the Japanese courts, where the family now lived.

As the debt was disputed, colleagues in Gwynedd managed to get the debt collectors to suspend their activity. We had a number of further meetings with the Trust and explained that they had potentially given a misleading price indication, a criminal offence. In the end they agreed not to pursue the debt and after discussions with the consumer's family, we decided not to institute legal proceedings for the misleading price indication.

## **Driving away the driveway rogues**

A Harrow consumer was cold-called by a paving company and received a quote for a new driveway. He was assured that he wouldn't have to pay a deposit or any money until the work was completed to his satisfaction. The business didn't give the consumer the required cancellation notice and then started work the next day. After the first phase of the work was completed, the workmen demanded payment and the consumer felt threatened. When he contacted us, we responded immediately and ended up telling the trader to leave, saving the resident several thousand pounds.

### **Travel trickery**

A Wembley travel agent and its director were fined £7,000 for making false claims that they were approved by trade bodies such as the 'Air Travel Operators Licence' (ATOL), European Tour Operators Association (EOTA) and UKinbound.

A tourist from Australia visiting his family, had booked a European tour with the company for his relatives and himself only to be told the day before departure that the trip was cancelled. He was promised a refund but the cheque the company gave him bounced. When we investigated the complaint we found that the company was falsely claiming a variety of memberships that consumers rely on for peace of mind when booking holidays. As a result of our involvement the consumer did eventually get his full refund.

### **Enterprising order**

In July, we secured our first civil enforcement order under the Enterprise Act against the former directors of a Brent based internet mail order company who were the cause of hundreds of consumer complaints from across the UK and as far afield as Russia and Australia. We sought the order after numerous attempts to contact the pair to address the level of complaints had failed. The Court ordered the father and son to comply with their legal responsibilities and to pay our full costs of £3,575. Breaching the Order in any future business activity could now see them found in contempt of Court.

## Underage Sales

Protecting children from harm and preventing the sale of age-restricted goods to minors is one of our main priorities.

We continue to work with traders to educate them on the law and advise them on how to ensure they don't sell age-restricted goods to children. The Responsible Trader Scheme was set up to help achieve this and its membership is now around 340.

Test purchasing remains a cornerstone of the work we do regarding underage sales as it is the only way to test how retailers act in a real-life situation. We use intelligence that we receive from consumers and the Police to help us target the premises and areas that are a cause for concern.

So far this year we have had 6 sales from 81 visits in Brent, a rate of 7.4%, and 7 sales from 66 visits in Harrow, a rate of 10.6%.

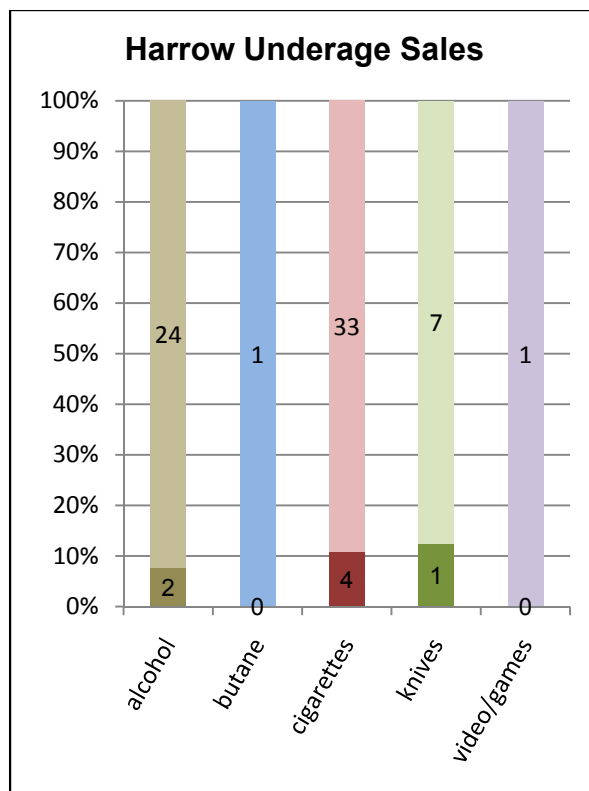
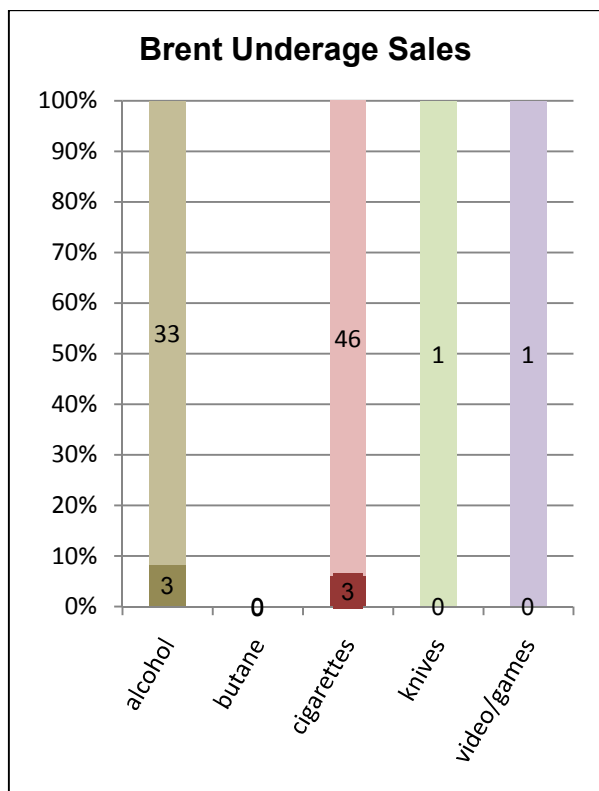
A number of underage sales cases have been to court this year, some of which are highlighted below.

The owner and licence holder of a shop in Rayners Lane was fined £230 and ordered to pay costs of £860 for selling alcohol to a 15 year old.

An assistant in a Wembley shop was fined £750 and ordered to pay costs of £750 for selling alcohol to a 13 year old.

The co-owner of a Wealdstone shop was fined £300 and ordered to pay costs of £900 for selling alcohol to a 15 year old.

An assistant in a Wembley shop who sold alcohol to two 12 year olds after they had told him how old they were was fined only £55 and ordered to pay the same amount in costs by Brent Magistrates. We struggle to understand the leniency of this sentence for someone who knowingly sold alcohol to these 12 year olds.



**Tables of underage test purchasing refusals (top figure) and sales (bottom figure)**

## Helping Consumers

### **Oil's well that ends well**

A consumer bought a car from a local dealer but soon noticed faults when driving it. His mechanic informed the horrified consumer that the cause was a major oil leak which would cost £1,500 to rectify. The consumer complained to the trader who unhelpfully gave him the phone number of his own mechanic. This mechanic said he would call the consumer back but never did, meaning that the consumer had to go back to the trader and ask for a refund again. The trader refused to give any form of recompense.

We advised the consumer of his rights under the Sale of Goods Act and how to correspond with the trader. The consumer subsequently wrote to the trader, informing him that if he was not prepared to refund him that he would take the matter further. The trader reluctantly gave the consumer his refund.

### **Crocked cooker**

A South Harrow consumer bought a £1,000 cooker but it was damaged when the fitters installed it. The trader only offered to repair rather than replace it. The consumer was not happy with this and contacted us. We pointed out to the trader that the consumer was entitled to a replacement and the trader duly provided one.

### **That tile is extra**

An elderly Stanmore consumer entered into an agreement with a trader to supply and fit a kitchen for £10,000 and paid a £3,000 deposit. Part of the agreement was that the consumer was to be supplied with a particular type of tile, although this was not mentioned in the contract. After the deposit was paid, the trader told the consumer that the tiles would cost extra. The consumer decided not to proceed with the contract but the trader refused to refund their deposit. The consumer contacted us and we intervened, leading to the consumer receiving a full refund of £3,000.

### **Phone debt called off**

A pensioner from Kenton was being pursued by a debt collection agency on behalf of a large telecommunications company for a debt he believed he did not owe. The consumer had made numerous attempts to contact the company to ask for evidence of the debt, which he was told was two years old, but the business could not provide him with any evidence to substantiate their claims. Despite this, letters from the debt collection agency became more frequent, causing him great distress.

He sought our assistance and we contacted the company on his behalf, asking them to prove he owed the debt. They could not find sufficient evidence of the debt and so had no alternative but to write off the entire £600 and apologise to the consumer for the stress they had caused.

### **Kitchen woe**

A Wealdstone consumer purchased a kitchen but when it was installed, the units were different from those she had ordered. The trader initially insisted that was how the kitchen was manufactured. However, after our intervention the trader agreed to replace the units worth £8,000.

### **Distance Selling Refund**

A Harlesden resident paid £1,500 for a course to an online training provider. The consumer changed his mind about the course and cancelled within a week, as he was legally entitled to under the Distance Selling Regulations. The Regulations afford additional rights to consumers buying most goods and services without having face to face contact with the trader. Despite many attempts by the consumer, the trader refused to return his money. After we explained their legal obligations, the trader refunded the consumer in full.



## Conclusion

This has been a difficult six months for staff with uncertainty over future funding for local government leading to understandable concerns about job security. I am glad to report that these worries have not had an adverse impact on their attitudes or motivation and they have continued to produce work of the highest standard.

I hope this report has highlighted the variety and complexity of the work that we do. We have a 'can-do' attitude to helping consumers and ensuring that rogue traders are brought to book.

### The Olympics

The Olympics have been on the horizon for some time now and yet still seem some way away. While it may seem that there is a long time to go, preparations are well underway.

We take our responsibilities seriously so when funding was secured from an external source, we jumped at the chance of sending one of our officers to the World Cup in South Africa to learn from their experience of hosting a major sporting event. This will be very useful during the Olympics and all the other major sporting events that take place in the Consortium area as well as in London. .

As I have mentioned in previous reports, in my role as Chair of the London Trading Standards Authorities, I have taken a leading role in ensuring that we, as a profession, have the capacity to fulfil our role to protect the interests of the thousands of visitors that will be descending upon London during the Games.

By being proactive and positioning ourselves at the heart of the decision making process, we do only increase our knowledge and preparedness but it also enhances the reputation of the Consortium and Brent and Harrow Councils.

### Through the Looking Glass

The future is more uncertain than it has ever been for the Consortium. Financial pressures on both Councils will undoubtedly mean that our structure and staffing levels will be different in six months from now.

However, there are even more changes on the horizon for trading standards. Consumer Direct, the organisation that acts as a national first point of contact for trading standards will be undergoing change and its responsibility will move from the Office of Fair Trading to the Citizen's Advice Bureaux. Furthermore, a review in the New Year will look giving additional responsibilities for protecting consumers to Local Authorities trading standards. More details about these proposals care being reported separately, but whatever happens, the next six months will see substantial change in the provision of future consumer protection services.

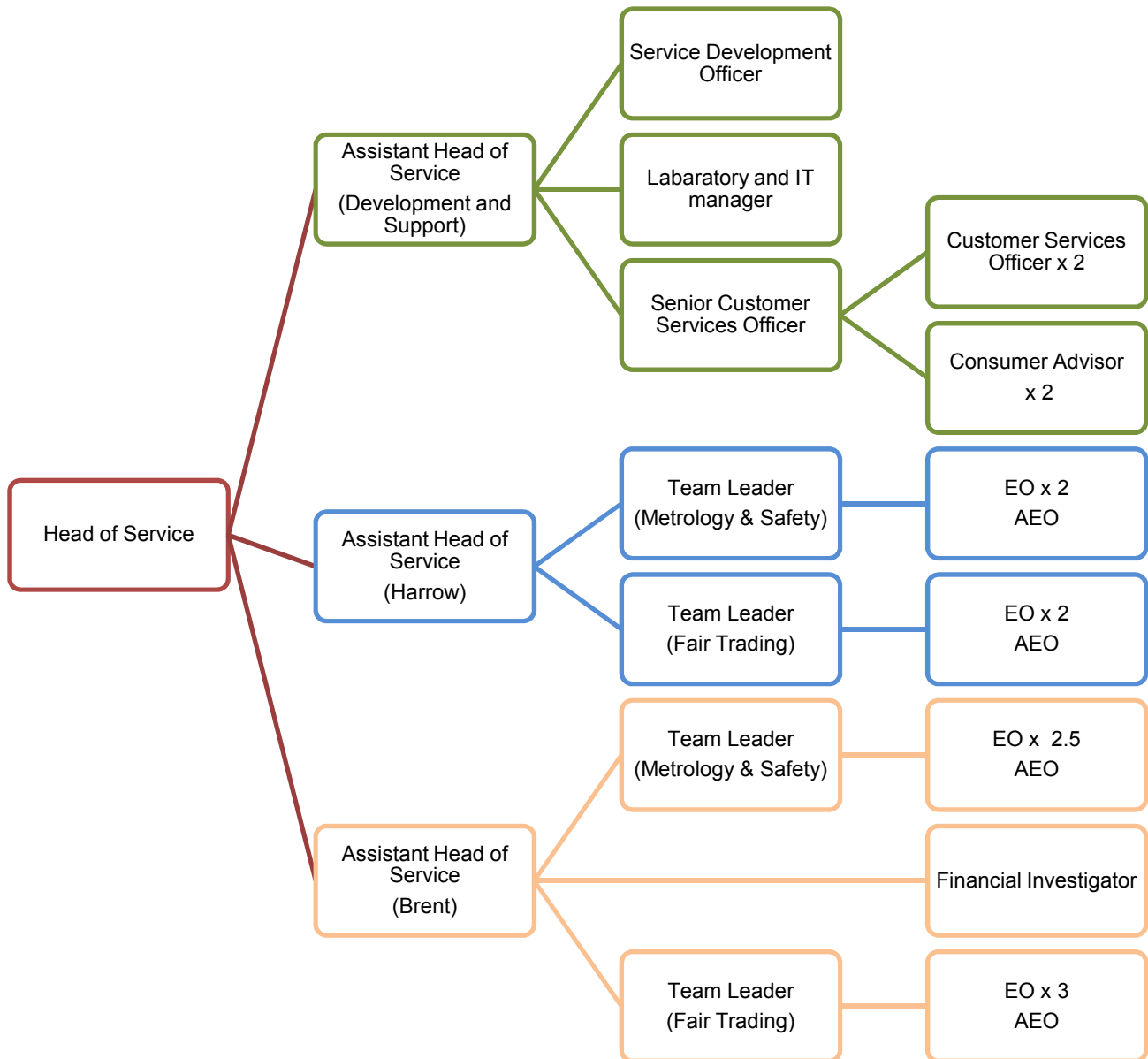
In a few months, we shall move offices to Brent House. The location is more central to Brent and also closer to Harrow. While we are taking steps to make the move as smooth as possible, it is bound to cause a certain amount of disruption to staff. However, I am confident that they will continue to serve our customers in Brent and Harrow as effectively as they always have done.

I hope that this report has successfully demonstrated the diversity and complexity of the work that is carried out by the Trading Standards Service. However, our work continues unabated and at the end of the year I will provide a further update on future cases and the changing consumer landscape that will undoubtedly create additional responsibilities and challenges for this Service and both Brent and Harrow Councils.

Nagendar Singh Bilon  
Head of Brent and Harrow Trading Standards Service

# Trading Standards Structure

Structure as at 30 September 2010, 29.5 posts



EO = (Senior) Enforcement Officer  
 AEO = (Senior) Assistant Enforcement Officer

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**London Boroughs of Brent and Harrow**  
**Trading Standards Advisory Board – 9<sup>th</sup> December 2010**  
**Report Number 4/10 from the Head of Trading Standards**

## For information

**Title of Report:**     **Government’s Comprehensive Spending Review and the Future of the Consumer Landscape**

### **1.0 Summary**

1.1 This report provides Members with details of recent announcements by Government that will impact on the future role of the Trading Standards Service. While no firm decisions have yet been made by Government, the likelihood is that Local Authorities will have an even greater part to play in the provision of Trading Standards Services.

### **2.0 Recommendations**

2.1 That Members consider this report and comment where appropriate.

### **3.0 Financial Considerations**

3.1 The report itself has no financial implications. It is unknown what impact may arise as a result of the issues referred to in the report.

### **4.0 Staffing Implications**

4.1 The report itself has no staffing implications. It is unknown what impact may arise as a result of the issues referred to in the report.

### **5.0 Detail**

#### **5.1 Introduction**

5.1.1 Fair Markets and the future of the Consumer Landscape were featured in the Government’s announcement in October’s Public Bodies Review which was closely followed by the Comprehensive Spending Review. Thereafter, on 28<sup>th</sup> October, the Government also issued The Local Growth White Paper. All of these seemed to have an impact on the provision of consumer protection enforcement and in aiding the recovery of businesses, both of which are within the remit of trading standards.

5.1.2 The most substantial changes relating to trading standards were contained in a statement issued by The Secretary of State, Department for Business, Innovation and Skills (BIS), Vince Cable on 14<sup>th</sup> October. The statement was titled “*Changes to the UK consumer and competition bodies*”. The complete statement and the questions and answers that accompanied it, are included as Appendices 1 and 2 respectively.

5.1.3 In recognising the roles that various consumer organisations play, Mr Cable said:

***“Consumers are represented by a bewildering array of public, private and voluntary bodies, which often duplicate efforts to inform, educate and advise consumers of their rights. Our aim is to create a simpler structure with a single competition authority and a stronger role for front-line consumer services.”***

The main intention of the Government is to simplify consumer advice, education and protection, all related functions would in future be undertaken by either Citizens Advice or Trading Standards, in part due to their high public awareness and trust levels.

5.1.4 The Government will publish a consultation early next year that will go into detail about what is proposed and how that will be delivered. While we cannot say for certain what changes will happen, these are comments on the effects on different bodies.

## **5.2 Likely Impact on Trading Standards**

5.2.1 In his statement of 14<sup>th</sup> October 2010, Mr Cable said the following in respect of Trading Standards:

***Trading Standards will be given responsibility for enforcement of almost all consumer law. Local threats to fair trading will continue to be handled at local authority level. But national and regional threats will now increasingly also be addressed through one or more dedicated, expert teams, within Trading Standards with work co-ordinated nationally for this purpose.***

5.2.2 Responding to the announcement, Baroness Margaret Eaton, Chairman of the Local Government Association, said:

***“There are some sensible decisions here such as putting council trading standards at the centre of enforcing almost all UK consumer law. Having government recognise officers’ expertise in enforcing important regulatory functions is a clear statement of faith in councils’ ability to deliver.”***

5.2.3 It seems likely that the OFT consumer enforcement role will be passed to the ‘Trading Standards family’. It is unlikely in the current climate that this will be by means of a ring fenced grant but probably by increased funding at a regional and possibly national level. If that is the case, it is vital that the trading standards service within local authorities is maintained at a reasonable level and indeed, to be in a position whereby it is sufficiently resourced and prepared to deal with the undoubted changes that will be brought about.

5.2.4 In my capacity as the current Chair of the London Trading Standards Authorities (LOTSAs), I expect to play an important role in informing decision makers of how best to achieve these changes. In fact, in March 2010, I met with a Director from BIS with discussions centring on LOTSA and the innovative, wide variety and complexity of the work that Brent and Harrow as a Consortium undertakes. I am confident that the size and complexity of the cases that we prosecute helped inform the response to one of the questions accompanying Vince Cable’s statement: ***“There are examples of cases where local officers have dealt with complex cases successfully...”***

5.2.5 Further mention of trading standards was made in the Local Growth White Paper, which details the critical role that local authorities can play in supporting the economy of

their area. One of the key ways it mentions of doing that is by keeping markets fair by maintaining trading standards.

**5.2.6** Within the Consortium area, this is consistent with our approach as we strive to do taking action against those businesses that flout the law and by supporting legitimate traders through advice and assistance. We strongly believe that the action we take against rogue traders does not only benefit consumers but also honest businesses who only want to trade fairly.

### **5.3 Consumer Direct & Citizens Advice Bureau**

**5.3.1** It is highly likely that Consumer Direct, which provides the first point of contact for the majority of our consumers will transfer from the Office of Fair Trading to Citizens Advice.

**5.3.2** Consumer Direct is a national service akin to NHS Direct, which provides the first point of contact for the majority of consumers who require advice and assistance on trading standards issues. All consumer contact is by telephone or email which is then logged on its database and the details are forwarded to the relevant trading standards service for either information or action depending on the nature of the complaint. Not only do we receive the majority of our consumer complaints in this way, but we use the information contained on the Consumer Direct database to monitor the level of complaints against traders in Brent and Harrow as well as on a national level. We are then able to determine whether to provide advice or take enforcement action against those businesses that generate a disproportionately high level of complaints.

**5.3.3** Any reduction in the level of service as currently provided by Consumer Direct will have a negative effect on consumers in Brent and Harrow, who will perceive this as a cut initiated at Local Authority level whereas this will certainly not be the case. Furthermore, it is important that the quality of the information collected during this first contact is reliable and accurate as this forms a great part of our intelligence gathering processes.

**5.3.4** Should Consumer Direct cease to exist, then the onus for the provision of this 1<sup>st</sup> tier advice will fall undoubtedly revert to back to Local Authority Trading Standards.

**5.3.5** The Chief Executive of the Trading Standards Institute has already met with Citizens Advice and the Office of Fair Trading to start the discussion about how this transfer will progress.

### **5.4 The Office of Fair Trading**

**5.4.1** The current proposals will probably see the Office of Fair Trading no longer having a role in consumer enforcement. The only role possibly envisaged is relating to the most economically complex test cases. Even coordination of national consumer issues seems likely to sit within the trading standards family.

### **Conclusion**

The consultation due early in the New Year will potentially see the biggest change to the consumer landscape in a lifetime. It is positive to see that the Government is looking to place trading standards at the forefront of the enforcement of almost all consumer protection legislation and recognising the importance of the work that we do. In reaching this decision the Government has recognised the value of Trading Standards and placed their faith in Local Authorities to take on these additional responsibilities. With such changes imminent it is vitally important to safeguard the current resources of the

Consortium as much as is possible so that the experience and expertise that we currently have are not lost in the short term to meet any austerity targets only for those same resources to be required when these changes come into being.

It is now, more so than ever before that Members and particularly those who are part of the Joint Advisory Board, can play an important and active role in shaping the future of the provision of these important services and the Trading Standards as a whole.

Nagendar Bilon  
Head of Trading Standards

## **Appendix 1**

### **Changes to the UK consumer and competition bodies**

#### **Statement by Vince Cable, Secretary of State, Department for Business, Innovation and Skills**

**October 14 2010**

In terms of consumer issues, I believe that we should have a model that strengthens the front line while cutting down the complexity, confusion and waste, which accompanies the proliferation of bodies.

Currently, enforcement of general consumer law is shared between the Office of Fair Trading (OFT) and Trading Standards. Consumer complaints are handled by a constellation of sector-specific bodies, by the Citizens Advice service and by the dedicated helpline Consumer Direct, which is operated by OFT. Research and advocacy work is done by OFT, Consumer Focus and in some regulated sectors there are a number of specific consumer bodies. Information and education provision is split between all of these bodies I have outlined.

We have identified two groups to be at the centre of our plans for a better model for the consumer landscape. The first is the Citizens Advice service, which includes Citizens Advice and Citizens Advice Scotland, charitable bodies consisting of a network of local bureaux supported by a central guidance, policy and social advocacy function. The second is Trading Standards, which are part of local authorities and provide the vast majority of on-the-ground enforcement of consumer law. They also undertake local education initiatives

Both these groups have high public awareness and trust levels. I am therefore minded to shift almost all relevant central Government funding for consumer bodies towards these two groups in order to achieve the changes set out below.

In our proposed new regime, Trading Standards will be given responsibility for enforcement of almost all consumer law. Local threats to fair trading will continue to be handled at local authority level. But national and regional threats will now increasingly also be addressed through one or more dedicated, expert teams, within Trading Standards with work co-ordinated nationally for this purpose. Specific arrangements may need to be made in Scotland and Wales.

This approach chimes with the Government's Localism agenda, should lead to significant efficiency savings and is a potential model for integrating local and national funding for regulatory enforcement in other areas.

In addition to these measures, I propose that responsibility for all non-financial consumer education, information and advice, and notably the Consumer Direct helpline, will transfer to the Citizens Advice service. I believe there is scope for other Government advice and information services also to become part of the Citizens Advice service, to reinforce a simple message to consumers – if you need information or advice, go to Citizens Advice.

## **Appendix 2: Changes to the UK consumer and competition bodies, Q and A's**

### **What is the purpose of these changes?**

The Government believes it is necessary to have a model that strengthens the front line, while cutting down the complexity, confusion and waste which accompanies the proliferation of bodies. To this end BIS has identified the following two groups as most crucial:

- **Citizens Advice** (and, in parallel, Citizens Advice Scotland) is third-sector and is made up of a network of local bureaux supported by a central guidance/policy and social advocacy function.
- **Trading Standards** are part of local authorities and provide the vast majority of on-the-ground enforcement of consumer law. They also undertake local education initiatives. Local Government Regulation (LGR) co-ordinates the activities of local Trading Standards services.

### **What will happen to consumer enforcement?**

The intention is that Trading Standards will be given responsibility for enforcement of almost all consumer law. Local threats to fair trading will, as now, be handled at local authority level. National threats will be addressed through one or more dedicated, expert bodies, with Local Government Regulation (LGR) ensuring transfer of bespoke funding from BIS, coordination of effort between local and national levels and a seamless service overall. OFT will continue to supply insights for consumer enforcement from its market analysis work. BIS will consult on the practicalities and details of the new arrangements early in 2011.

BIS will have to ensure that the important links between complex market studies and enforcement which depends on economic analysis, remain effective and deliverable. There may be a case to retain a consumer enforcement role for OFT in relation to the most economically complex test cases. This will be examined in detail in the consultation in early 2011.

BIS will work with LGR, the Trading Standards Institute (TSI), and OFT to ensure that the bulk of OFT's current international coordination activities on consumer enforcement are continued, as far as possible within the Trading Standards "family", and to secure continuing enforcement guidance and policy. The consultation in early 2011 will also cover the practicalities and details of these shifts. Specific arrangements may need to be made in Scotland and Wales.

### **How will this work when local councils are already cutting Trading Standards Services?**

The provision of local Trading Standards services is a matter for individual local authorities, who must answer to their electorates. The intention is that BIS will provide specific funding for enforcement against national threats, which will help to retain and support critical mass within the Trading Standards family as a whole, but it cannot and will not substitute for effective enforcement at local level.

**Local Trading Standards officers lack the expertise to deal with complex or economic cases.**

There are examples of cases where local officers have dealt with complex cases successfully, and we will work with LGR to design a model that allows resources to be allocated to large cases as and when appropriate. Additionally, local officers often have a culture of working with business to resolve problems. But the Government will also consider the case for OFT to retain some enforcement capacity for large and economically complex test cases.

**What about second tier advice?**

For general consumer issues, this will remain the responsibility of local Trading Standards services. For energy and postal issues, our proposal is that these will be provided by the Citizens Advice services once the functions of the Extra Help Unit currently part of Consumer Focus have been transferred. Other specialist second-tier advice centres will be looked at by the relevant Departments to see if there is value in also transferring them into Citizens Advice. This will be subject to public consultation.

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