

**London Boroughs of Brent and Harrow
Trading Standards Advisory Board
29th July 2010**

Report from the Head of Trading Standards

FOR INFORMATION

Proposed Registration Scheme for Mail Forwarding Businesses Based in the Consortium Area

1.0 SUMMARY

- 1.1 A mail forwarding business is one where a postal address is made available to a person for receipt of postal packets that are held for collection or forwarded on. Presently there are no legal requirements for such businesses to record the identity of their users or to keep records etc.
- 1.2 New provisions controlling mail forwarding businesses are contained in Section 75 of the London Local Authorities Act 2007. These provisions are adoptive, which means that local Councils can choose whether or not to implement them within their respective areas. If the Brent and Harrow Councils implement these provisions then all current and future mail forwarding business will be required to register 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.
- 1.3 This report proposes that both Brent and Harrow 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.

2.0 RECOMMENDATIONS

- 2.1 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.
- 2.2 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.

3.0 FINANCIAL IMPLICATIONS

- 3.1 A one-off fee will be charged per application to recover costs incurred as per Section 75 of the London Local Authorities Act 2007. The fee income will be offset against the administration and enforcement costs. Therefore the impact is cost neutral.
- 3.2 The proposed fee for businesses registering under this scheme will be £80, which is in line with other London Councils.
- 3.3 There will be no further cost implications to either Council in adopting these provisions under the London Local Authorities Act 2007.

4.0 STAFFING IMPLICATIONS

- 4.1 The administration and enforcement of these provisions will be met from current staffing levels within the Trading Standards Service.

5.0 DETAIL

- 5.1 A mail forwarding business is one where a postal address is made available to a person for the receipt of postal packets (a letter, parcel, packet or any other articles transmissible by post) that are held for collection or forwarded on by any means. Those who avail themselves to a mail forwarding business range from individuals to companies, both in this country and abroad.
- 5.2 Trading Standards receive a significant number of complaints regarding traders who use the services of mail forwarding businesses. Often money has been sent in response to various kinds of scams and frauds. In the absence of any existing legal requirements to keep records, most mail forwarding businesses do not require copies of identification of clients and many keep insufficient or no records at all. Some have a reputation for operating on a 'no questions asked basis.' In seeking information from mail forwarding businesses, the level of co-

operation afforded to enforcement officers can vary and, where insufficient or no records are kept, tracing businesses that are involved in criminal activities can be virtually impossible.

- 5.3 Where Authorities have already adopted this legislation, it has helped them investigate crimes such as doorstep rogue traders, ticket agency scams and counterfeiting, to name just a few. It saves officer time and therefore money. As well as assisting Trading Standards, it has also been used extensively by the Police to help them with their investigations. People involved in arms trafficking, child pornography rings and drug distribution have all been found to be using accommodation addresses in order to hide their identity.
- 5.4 There is a great risk that accommodation agencies will also be used as a front for large scale fraud in the run up to and during the Olympic and Paralympic Games. Operation Podium (the branch of the Metropolitan Police dealing with the Olympics) are particularly concerned about ticketing scams being run from accommodation addresses and are actively encouraging London Authorities to adopt this legislation to help them prevent, and investigate such crime.
- 5.5 The London Local Authorities Act 2007 seeks to deal with mail forwarding businesses that make no effort to obtain identification, keep records or co-operate with enforcement officers. It also seeks to close a door currently open to rogue traders who hide behind the facade of a mail forwarding business. The legislation makes provision for the Council to have robust and practical criminal powers (to enter premises and seize goods and documents) with sufficient penalties to act as a deterrent. It will be a criminal offence to fail to comply with the law for which the maximum penalty will be a fine not exceeding £5,000.
- 5.6 The main requirement for a mail forwarding business will be to register with the Council. They will also be required to maintain records of persons using their mail forwarding and holding services, including copies of at least two pieces of identification. Furthermore, mail forwarding businesses will have a duty to retain these records for one year after the service has expired and to make them available for inspection by authorised Trading Standards Officers and the police.
- 5.7 If the Council resolves that Section 75 is to be brought into force in Brent and Harrow, then it will not be possible to carry on a mail forwarding business unless it is registered with the relevant Council. This will apply to existing and all new mail forwarding businesses. Apart from having to register with the Council, a person carrying on a mail forwarding business will be required to keep a record of:-

- the full name, address, and telephone number of all persons for whom post is received or who has requested postal packets to be held or forwarded to them
 - the nature of the business carried out by that person
 - any delivery or forwarding instructions of postal packets
 - in the case of every postal packet forwarded, the name and address of person(s) to whom postal packets are to be forwarded, if different from above
 - copies of originals of two documents approved by the Council for the purposes of identifying the person and verifying the addresses required above.
- 5.8 The requirement to register and keep records does not apply to holders of licences for postal services, such as the Royal Mail.
- 5.9 The list of identification documents that a mail forwarding service can accept is attached as Appendix 1.
- 5.10 The registration of accommodation addresses was previously raised as a report in March 2009 but did not meet with approval. The report is being introduced again with further information, in points 5.3 and 5.4, that provides some practical examples of how this legislation can help enforcement agencies. If adopted, the scheme would be a tool that enforcers can use, saving them time and helping to prevent and detect crime.

6.0 BACKGROUND INFORMATION

6.1 London Local Authorities Act 2007

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

Nagendar Bilon

Head of Trading Standards

Appendix 1

One document from each list below is required. All documents should be current, in the case of bills, they should be dated within the previous three months.

1. Photo identification

- Passport
- Driving Licence (with photo card)
- National Identity Card
- HM Forces Identity Card
- A current student card
- Connexions card

2. Non photo identification provided both name and address is shown

- Gas or electricity bill
- Telephone bill (not a mobile phone bill)
- Water bill
- Mortgage Statement
- Council Tax bill
- Bank / Building Society statement (includes credit card and store card bill)
- TV licence
- Valid insurance certificate
- P45/P60 statement
- Financial statement (e.g. pension, endowment)
- Benefit book
- Letter from Benefits Agency
- HM Revenue and Customs Notice of Coding
- Student hall of residence agreement or other proof of accommodation