

 <p>Brent</p>	<p align="center">London Boroughs of Brent and Harrow Trading Standards Joint Advisory Board 11 June 2015</p> <p align="center">Report from the Head of Regulatory Services</p>
<p>FOR INFORMATION</p> <p align="right">Wards Affected: ALL</p>	
<p align="center">Annual Report 2014/2015</p>	

1 SUMMARY

1.1 This report details the work of the Trading Standards Consortium for 2014/15.

2 RECOMMENDATIONS

2.1 That Members consider the report and comment where appropriate.

3 DETAILS

3.1 The Trading Standards Service is provided on a consortium basis for both the London Boroughs of Brent and Harrow. In accordance with the agreement between the two boroughs, an annual report is presented to the Trading Standards Joint Advisory Board. This provides an opportunity to give Members an overview of the total work carried out by the Service. A copy of the report for the year 2014/2015 is attached for Members' information and consideration.

3.2 Structural changes aimed at reducing the number of Heads of Service across Brent Council to achieve budget savings, resulted in the creation of a new larger host Unit for Trading Services. This arrangement has been in place for a period of 12 months under the leadership of a new Head of Service David Thrale.

3.3 At the end of this period, the London Borough of Brent, being the consortium's hosting borough, lost its long standing Commissioning Officer through further

restructuring. This role is now the responsibility of Aktar Choudhury, the Operational Director of Planning and Regeneration. This structural change provides additional future opportunities to contribute to regeneration and enterprise initiatives within the Regeneration and Growth department to enhance support provided to local businesses.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications.

5 STAFF IMPLICATIONS

5.1 None relevant.

6 BACKGROUND INFORMATION

6.1 Any person wishing to obtain more information should contact Simon Legg, Senior Regulatory Services Manager, Brent Civic Centre, Engineers Way, Wembley Middlesex HA9 0FJ. Telephone: (020) 8937 5522.

DAVID THRALE
HEAD OF REGULATORY SERVICES



Brent & Harrow Trading Standards

Annual report
2014-2015

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Introduction

On 1 April 2015, the service celebrated 50 years of working together as a consortium.

Earlier in 2015 Brent and Harrow refreshed the legally binding Consortium Agreement to reflect changes in both authority's Executive decision-making arrangements and the subsequent operational changes.

Our annual report gives a summary of some of the many different areas of work and outcomes achieved by Brent & Harrow Trading Standards Service for the year.

The service started the year as part of a wider group of regulatory functions, called Regulatory Services, under the leadership of Head of Service David Thrale.

The Trading Standards service is managed by Simon Legg and Team Leaders Winston Brooks, Sanjay Thakrar and Anu Prashar.

Priorities

The London Boroughs of Brent and Harrow have the following corporate priorities:

Brent Council corporate priorities:

1. A strong community
2. Promoting jobs, growth and fair pay
3. Making Brent safer, cleaner and greener
4. Improving health and well-being
5. Better lives for children and families
6. Developing better ways of working



Harrow Council corporate priorities were:

1. Making a difference for the most vulnerable
2. Making a difference for communities
3. Making a difference for local businesses
4. Making a difference for families

The table below, sets out how the service contributes to each Council's corporate priorities:

Key activity	Brent	Harrow
Investigate consumer complaints about breaches of consumer protection laws and assisting the vulnerable consumers.	2, 3	1, 3
Advise businesses on the laws that affect them. As trading laws are largely EU-wide, this advice enables businesses to trade throughout Europe.	2	3
Take action against traders that break the law, providing confident consumers and allowing businesses that trade fairly to prosper.	2, 3	2, 3, 4
Tackle doorstep crime and take action against rogue traders and scammers.	3	1
Act as 'Home Authority' or 'Primary Authority' for national businesses based within the Consortium.	2	3
Operate a Good Trader scheme, offering tailored guidance and support to member businesses.	2	3
Reduce the level of age-restricted goods sold to children	2, 3, 4, 5	2, 3, 4

In addition to setting the service's annual work plan with corporate priorities determined by the London Borough of Brent or Harrow. The service also contributes to regional objectives through its active membership of London Trading Standards Association and operations coordinated by the National Trading Standards Board.

Budget

The joint partnership between Brent and Harrow, means that the consortium delivers significant efficiencies and economies of the scale resulting in savings for both boroughs.

The table below shows the consortium budget since 2008-2009:

Date	Budget
2008/09	£1,772,000
2009/10	£1,702,000
2010/11	£1,673,000
2011/12	£1,274,000
2012/13	£1,274,000
2013/14	£1,299,000
2014/15	£ 864,000

It should be noted that the budget from 2014/15 is not a like-for-like comparison, due to changes in accounting practices within Brent Council. Prior to 2014/15 costs such as accommodation, financial support, HR support, IT, telephones, printing, copying and administrative support were included in the services' budget costs. These components of the services' costs are now centrally accounted and this has made comparison of budget prior to 2014 difficult. There has been no change in the contribution to Brent from Harrow for these service costs.

In addition, the service commits to meet the cost of providing our financial investigations team through a net contribution to the service from proceeds of crime of £250,000 p.a.

As the challenging financial pressures continue for both authorities, the service will explore options for future cost saving opportunities and efficiencies in the coming year.

Performance

Complaints of dissatisfaction about the service

During 2014/15, there were two formal complaints of dissatisfaction received about the Service.

One was in respect of a Harrow consumer who was unhappy with the outcome of criminal legal proceedings taken in Court against somebody she had contracted with because the Service no longer provided a service to consumers to assist pursuance of civil claim..

The second complaint was also from a Harrow resident who was annoyed that we were unable to give his complaint the high priority he thought it deserved which was about a low value item he purchased online from somebody operating from a residential address, who appeared to be selling a mixture of possessions, rather than selling goods on a large scale as a commercial undertaking.

Freedom of information requests

The Service received 17 requests for information under the Freedom of Information Act 2000, all of which were responded to within the statutory timescale.

High risk inspections

The service has an objective to inspect all high risk business at least once each year. During 2014/15 to was met in full. For 2015/16 this objective will be adjusted to include businesses with the greatest number of consumer complaints.

Supporting business

Primary authority

The national Primary Authority scheme gives businesses that trade in multiple locations the right to form a statutory partnership with one local authority for the purposes of receiving regulatory advice, which is generally binding on other enforcement authorities. This gives businesses greater assurance that their approach to ensuring compliance is uniformly accepted by regulators wherever they trade in the UK. This helps businesses to reduce the cost of compliance and give certainty too.

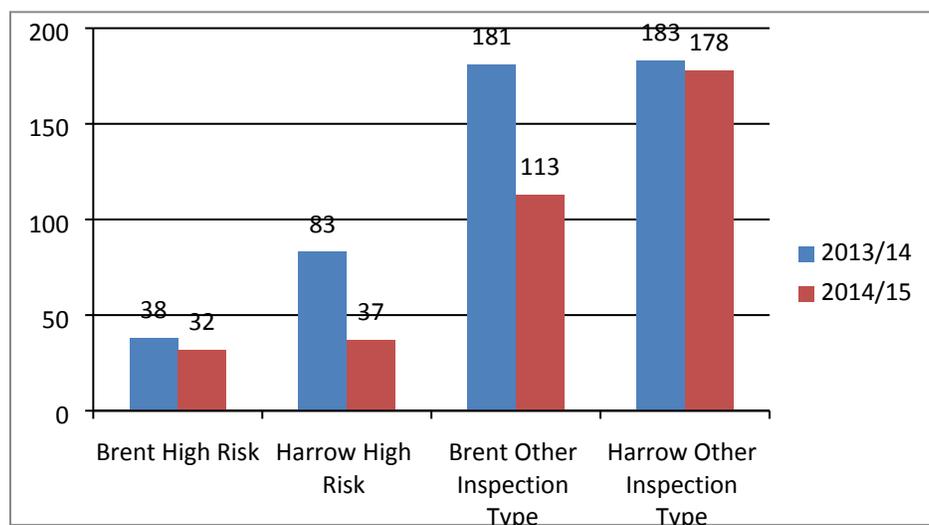
Primary Authorities can also determine a national inspection plan, which other local authorities must have regard to during inspections of branches in their geographic area.

Local authorities are allowed to charge for this service on a cost recovery basis. The charge for 2014-2015 was either £ 53 and £66 per hour depending on the type of contact a business opted for.

Currently, ten businesses are members with our Service which includes companies such as Ikea, Bestway and Pernod Ricard. During 2014/15, we provided 186 hours of Primary Authority advice to our members, which was a reduction on the 311 hours provided in the first year of operation.

Inspections

Inspections are determined by intelligence leads, risk assessment and the businesses track record. There were a reduced number of inspections carried out compared to the previous year as shown below:



The coming year will see the introduction of a statutory Code of Practice made under the Protection of Freedoms Act 2012, which will limit the ability of enforcement officers to enter any business premises as they can at present.. This may well have an impact on future inspection numbers.

Landlords Forum

Officers took part again in the popular Harrow Council Landlords forum. The agenda was to educate and advise interested parties pertaining changes in the law and obligations of landlords and letting agents. A presentation was given by officer from Trading Standards and attended by approximately 140 landlord and letting agents, and manned by trade organisations including Gas Safe, NICEIC, electrical appliance testers, solicitors, housing organisations. The evening was successful with many positive outcomes.

Responsible Trader scheme

Since 2007, we have operated a free *Responsible Trader scheme* that helps businesses to use best practice to prevent the sale of age restricted goods to children. Participants receive free training and advice, occasional audits of their arrangements, and marketing materials to use with their customers. The number of members of the scheme increased from 250 to 267 (149 Brent and 118 Harrow). The scheme is being refreshed and updated during the coming year to continue to attract new membership.

Responsible Trader



Online Sales

Following feedback from last year's report, Members have specifically requested that this report includes a section surrounding work we carry out in respect of online trading.

We do not routinely seek to regulate the online marketplace unless there is a specific reason to do so such as where intelligence demonstrates a need for our intervention, if we are investigating consumer complaints or specifically advising a business. This is no different to traditional high street operations.

Problematic online businesses operating outside of Brent and Harrow would be referred to the relevant local authority Trading Standards where the business was located or depending on the circumstances, could be sent to the National Trading Standards Board eCrime Unit for investigation.

Nevertheless, during the course of last year, the Service specifically checked advertising or terms and conditions on 77 Brent-based websites and Harrow 32 websites. In addition, the Service will have checked websites for a wide variety of traditional High Street businesses that also have an

Internet presence, although records of these website compliance checks do not allow us to quantify this additional work.

Investigations

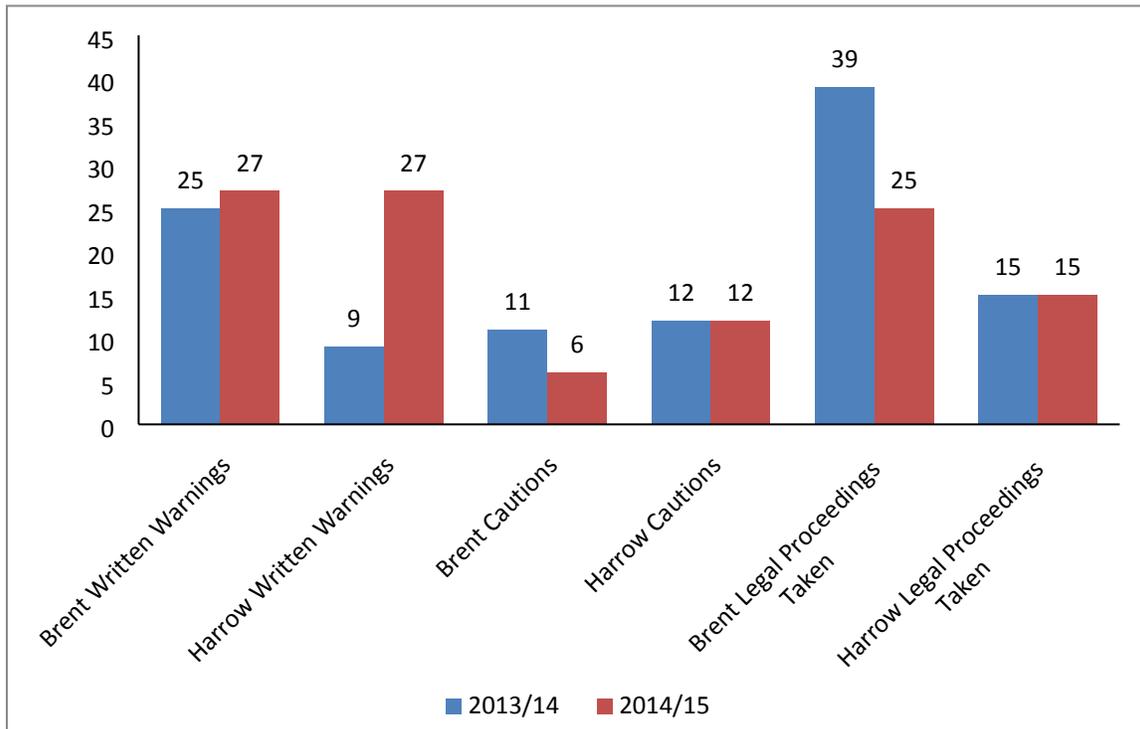
During the year, the Brent Team submitted a total of 32 investigation reports and the Harrow Team a total of 33.

Investigation reports are prepared and submitted by Officers where there is compelling evidence to prove the commission of a criminal offence(s). Outcomes can include:

- no further action;
- letters of warning;
- re-inspection;
- issue of a Simple Cautions if the trader accepts their guilt; or
- legal proceedings.

We undertake all criminal prosecutions in house using our own staff, who issue summonses and appear as advocates in the Magistrates' Court. This is both cost effective and provides a daily link between investigating officers and those conducting legal proceedings, leading to a high success rate with no cases proceeding to trial which were not won by the Service.

The table below shows the number of formal actions taken last year alongside the previous year for comparison.



As a result of our prosecutions last year, traders were fined a total of £39,630 which is significantly higher than the previous year's sum of £27,420. However, it should be noted that one case alone, resulted in the highest fine being £10,000 against a company who was wholesaling counterfeit electrical accessories such as phone covers and chargers, batteries, adaptors, cables and computer hardware. The lowest fine was £300, for a street trader who was selling trade mark infringing scarves during a Wembley event day.

Other notable penalties include:

- two defendants who received prison sentences of three and four years each for their role in a major import/export business of counterfeit goods
- one rogue car dealer received a 12 months suspended for 2 years and 150 hours unpaid work to be completed in 12 months
- An online vendor of counterfeit headphones received a 44 weeks custodial suspended for 12 months & 200 hours unpaid work
- Three defendants ordered to pay in excess of £90,000 confiscation under the Proceeds of Crime Act.

Disappointingly, the amount of costs awarded by the Court was considerably lower than the previous year amounting to £6,947 compared to £17,379 the previous year. The costs provide an essential contribution towards the Services budget so we will be looking closely at what we can do to increase this income.

Underage sales

Our Responsible Trader Scheme continues to be a success, with the vast majority of businesses having audited procedures and processes in place to prevent underage sales. During the year, the Brent Team conducted 37 audits and the Harrow Team 92.

Despite our continued programme of advice to businesses and the promotion of the scheme, there are still a small number of traders who continue to sell age-restricted goods to children.

The below table shows the results of our test-purchasing in 2014-15:

Product	Test purchases (no.)				Sales (no.)				Failure rate (%)			
	Brent 2013-14	Brent 2014-15	Harrow 2013-14	Harrow 2014-15	Brent 2013-14	Brent 2014-15	Harrow 2013-14	Harrow 2014-15	Brent 2013-14	Brent 2014-15	Harrow 2013-14	Harrow 2014-15
Alcohol	78	35	104	88	4	0	10	2	5	0	9	2
Tobacco	31	73	17	22	1	3	1	5	3	4	6	18
Knife	6	5	1	4	1	0	0	0	16	0	0	0
Fireworks	25	0	21	27	0	0	1	0	0	0	4	0
Spray Paint	0	0	1	0	0	0	0	0	0	0	0	0
E- Cigarettes	0	12	0	0	0	0	0	0	0	0	0	0
Total	140	125	144	141	6	3	12	7	4	2	8	5

This is a slight improvement compared to the previous year.

Our child volunteers wear covert recording equipment when carrying out these operations. This provides an irrefutable record of what was said and done by the trader and purchaser for evidence purposes. A pre-cursor to each test is a requirement for prior judicial approval.

Multi-agency operations

Both borough teams regularly lead on and take part in multi-agency operations, which sees us working alongside other Council departments, the Police, Her Majesty's Revenues and Customs (HMRC), UK Border Agency, Medicine and the Illegal Money Leading Team etc. This approach tackles issues ranging from doorstep crime, the sale of illicit medicines, tobacco and alcohol, anti-social behaviour, tax evasion, people trafficking, illegal immigrants and unlicensed money lenders\loan sharks etc. This working forges strong relationships with other enforcement bodies and increases information and intelligence sharing about problem traders.

Our partnership working has included support for:

- Regular attendance at weeks of action events in both boroughs;
- Operation Condor and Operation Big Wing which are some of their biggest policing operations focusing on licensed premises;
- Operation Liberal, tackling rogue builders; (see example case below)
- London Trading Standards Association (LoTSA) Child Safety awareness campaign highlighting dangers to parents of young children.

The supply of counterfeit and non duty-paid tobacco and alcohol continues to be a problem.



Working with HMRC, the Brent team seized thousands of litres of suspect spirits, wine and beer and hundreds of packet of cigarettes from two off-licences in Stonebridge and Harlesden.

In Brent, there are increasing problems with some establishments selling shisha breaching Trading Standards, Food Safety, Planning and Licensing laws. It has now become the norm for evening enforcement inspections to take place jointly between these departments carrying out spot checks.

Several prosecutions took place in 2013-2014 with at least half a dozen further shisha cafés prosecuted for selling tobacco shisha without the required statutory health warnings similar to those found on packets of cigarettes during 2014-2015.

Sadly, the Service saw a noticeable rise in rogue doorstep trading across both Brent and Harrow. We took part in Operation Liberal which is a joint national Trading Standards and Police initiative that runs annually to combat rogue builders. Whilst locally, no major Trading Standards offences were identified as part of this operation, the case below highlights the rogue trading that takes place.



In Harrow, a vulnerable resident who had been conned into paying out a total of £13,015 in cash to rogue builders who kept finding more work which needed doing. This started with a £15 job to point a wall and escalated upwards in both cost and the work being done which ended up with the builders claiming there were roof problems. The victim only became suspicious when they were told that a rebate was due for the cost of the work but would have to pay another £9,000 to get £6,000 back!

Working with police assistance, we laid a trap for the conmen. The builders however became wary and kept changing the time they had scheduled to come to collect more money. Eventually, we were forced to show our hand and warned the rogues off over the untraceable pay as you go phone number that they were using which subsequently stopped operating. As the money had all been paid in cash, it could not be traced. Trading Standards visited the victim's bank and made them aware of what had happened and to alert us if any further cash withdrawals were made. Harrow Council Building Control said that as the work done was so poor and the materials used were wrongly installed, that job would actually cause problems rather than solve them.

During the year, the Service successfully bid for National Trading Standards Board (NTSB) resource to take part in a national project looking at travel agents offering Hajj and Umrah packages. We were assisted by Officers from Birmingham Trading Standards Service inspecting 9 travel agents to ensure adequate protection was in place to repatriate their customers in the event the business going bust. 6 businesses were found not to be fully complying with the regulations so appropriate advise and follow up was scheduled to ensure they were brought into compliance.

Another NTSB partnership started at the beginning of last year seeing the Service partner with the Illegal Money Lending Team. This sees both authorities working together investigating and prosecuting illegal money lenders to stamp out loan shark activity. The partnership means we can now call upon the help of a team of specialist investigators once a suspected illegal lender is identified and access national intelligence to investigate. The team, accompanied by our Officers, executed a number of entry warrants in Brent to disrupt unscrupulous loan sharks. At the time of writing, summonses are to be served against two individuals allegedly involved in illegal money lending.



In June 2014, The Brent team were pleased to be asked by the Premier League to speak at a conference held at Wembley Stadium titled 'Football Against Fakes'. An Officer presented details of our work before, during and after Wembley event days preventing fake merchandise such as tickets, programmes, hats, scarves and flags from being illegally sold to unsuspecting fans. The event was well attended by representatives of most the Premier League football clubs as well as Trading Standards and Customs Officers from across the country.

Financial Investigations

The Financial Investigation Team consists of two Accredited Financial Investigators, led by our Senior Prosecutor. They undertake investigations using powers under the Proceeds of Crime Act 2002 (POCA). Their work comes from not only Trading Standards cases, but also other internal and external local authority departments. Under the Home Office Incentivisation scheme Brent Council receives a percentage of any paid confiscation order.

A number of cases have been referred, details of which are detailed below.

Department	2013-2014	2014-2015
Brent Trading Standards	5	9
Harrow Trading Standards	2	2
Brent Council's Planning service	6	12
Brent Council's Audit and Investigation Service	0	2
Other Local Authorities	0	7

The team secured 9 confiscation orders under POCA totaling £445,387.11 during 2014 -2015 which is lower than the previous year when 12 orders were obtained totaling £1,386,231.61. Details of the 2014-2015 cases are tabulated later in this report.

From November 2009, Local Authority Accredited Financial Investigators have had the powers to seize cash under POCA. Cash seizure can be used as a quick, hard-hitting alternative enforcement method. Those who trade illegally often deal in cash and can make vast profits. Seizing cash and then applying for detention and forfeiture can be done without the need for a criminal prosecution and 50% of any successfully forfeited cash goes to the authority that seized it. Cash detention and forfeiture is dealt with in the Magistrates' Court and the applicant has to prove that on the balance of probabilities, the seized cash has come from criminal conduct or is to be used in criminal conduct.

During the year, we had one cash seizure amounting to over £22,000. At the time of writing, this case is being contested and a Court hearing is listed to take place during the summer of 2015.

In one case prosecuted by Trading Standards, two businessmen dealing in counterfeit goods were ordered to pay £63,585.45 and £13,233.37 under the Proceeds of Crime Act 2002.

In another counterfeiting investigation, a company director was convicted for selling fake goods and electrical equipment such as mobile phone accessories that breached electrical safety regulations. Following conviction, confiscation proceedings were pursued at Harrow Crown Court who ordered him to pay back £21,788.41 under the Proceeds of Crime Act.

Working with the London Borough of Ealing, we led on an investigation which resulted in a confiscation order of £15,000 against a company director who was convicted of selling goods with unauthorised trade marks and unsafe electrical items.



In a different case, a director of a company was jailed for selling equipment designed to circumvent paid-for TV services. This business sold equipment that allowed subscription TV services to be viewed, bypassing the payment required by broadcasters. It specialised in providing equipment which allowed viewers in the UK to watch live premier league football matches. During the search of his home and business address the Financial Investigator found £46,801 in cash which was detained under POCA. The criminal case was investigated by the Trading Standards Service but prosecuted privately by the Premier League. The Court ordered the forfeiture of the cash to ensure that no benefit will be made from money gained through his criminality.

Its not just Trading Standards cases we investigate. We also carry out investigations for other Council departments. In one example, a husband and wife were convicted for housing benefit and council tax fraud following a prosecution mounted by Harrow Council. The wife had claimed benefits as a single mother, declaring she was living in rented accommodation which in fact was owned by her husband. Her husband used a fictitious name and acted as the landlord. The benefit fraudsters were ordered to pay a total of £65,000 under the Proceeds of Crime Act 2002.

In a more recent case, a property owner was ordered to pay £158,780.00 following failure to comply with an Enforcement Notice issued by Brent Council against a property in NW2. The notice was served because the property had been converted into ten self contained flats without planning permission. The flats were described by the independent surveyor as 'poorly presented' and in need of a 'comprehensive overhaul'. This confiscation order has been paid in full.

Another order secured on behalf of Brent Council's Planning Service was for £100,000 relating to a breach of a Planning Enforcement Notice on a property which has been converted from a single dwelling into five self-contained flats.

Brent Team Investigations

In May 2014, the Services largest seizure of an estimated £17m of counterfeit goods concluded following a five year investigation, with two men sentenced to three years each in custody for operating a global import and export business in fake goods. This is believed to be the largest ever haul by Trading Standards anywhere in the UK.

**UK Trading Standards
largest ever haul worth
an estimated £17 million**

The haul consisted of over 80,000 items which included Nike footwear, Ugg boots, Louis Vuitton bags, designer fragrances, headphones and watches from Breitling and Rolex containing imitation packaging and holograms. The sophisticated criminal business was operating from Access Self Storage in Alperton operating a global supply chain between China and Europe. Proceeds of crime action took place which is detailed in the above section of this report.

Second hand car sales still continue to be our most complained about area of trade within the borough. We prosecuted a highly complained about car sales company operating from Tilling Way, Wembley which saw the director receiving a 12 month suspended jail term and ordered to do 150 hours of community sentence. The salesman had sold cars with breakdown warranties but not paid for or registered the policies with the warranty company meaning customers were unable to make claims when their experienced mechanical problems with their vehicles.

The case proceeded to trial at Harrow Crown Court where the director was also convicted for restricting consumers rights by relying on small print terms and conditions such as 'sold as seen', for offering credit facilities when he was not licensed and for obstructing Trading Standards Officers. The company was found guilty of similar offences was fined £4,100 and ordered a £3,500 contribution towards the prosecution costs.

A jeweller on Ealing Road and its former company director were successfully prosecuted for



Our regular work during stadium events resulted on four men being successfully prosecuted for selling counterfeit NFL shirts and scarves outside Wembley Stadium in September 2014. Between them, they were fined a total of £1,980 including prosecution costs and victim surcharge and all the seized goods were forfeited. In addition, legal proceedings were taken against five other event day street traders with penalties being received including fines of £330 and £500, a 12 month conditional discharge, one arrest warrant being issued for failure to appear and one case still pending in the legal system. We also have assisted in the prosecution of various other traders in partnership with our Licensing colleagues for unlicensed street trading.



Harrow Team Investigations



Two fraudsters selling second-hand cars were sentenced at Harrow Crown Court after both pleaded guilty. The pair, trading from an address in Edgware, repaired and then sold cars which had been involved in accidents and written off by the insurance companies but did not disclose this fact to potential purchasers when they were advertised in Autotrader. One complainant's bumper on his

car was held together in place by plastic cable ties, which could have detached at anytime resulting in a serious crash.

One defendant received 200 hours community service, was tagged for two months between the hours of 21:00 and 06:00, and ordered to pay compensation of £300, the second defendant was sentenced to 12 months probation, 20 days community service, was also tagged for two months between the same hours and was ordered to pay £600 compensation. The case received national publicity when it featured on the BBC's Watchdog Test House programme.

This case featured on BBC'S Watchdog Test House and included an interview with one of our complainant witnesses

In a different car sales investigation, this time concerning a company based in Wealdstone, the company and its Director both plead guilty for selling a car that had travelled 175,000 miles but which had clocked having had the odometer wound back to 85,000 miles. During our investigation, evidence was obtained that showed the trader knew the vehicle had travelled higher mileage as he had sold the car previously. The defendant was also summonsed for selling a second car with defective brakes. The company was fined a total of £4,827, and the Director £2,220.

Whilst complaints about cash prize draws are often received, it isn't common for them to be operating from Harrow. However, following a complaint from a resident who had been posted

paperwork stipulating he had won £15,000 but he had to pay £25 to claim the cash, he quite rightly became suspicious. After our investigation of a mailing address in Harrow, it transpired that the scammers were based in France but were using the Harrow base as a forwarding address.

Working in partnership with the NTSB Scams Hub, regrettably it was not possible to trace the scammers but 2,241 envelopes containing cheques totalling £73,989 were seized and subsequently returned to the predominantly vulnerable consumers nationwide who had each been deceived by the scam.

In June 2014, Officers seized fake booze from an off-licence in Edgware accompanied by HMRC officers. Bottles of Smirnoff Red Vodka were seized with an alcohol content of 29.9%, rather than 37.5%. The owner was prosecuted being fined £1,500 and ordered to pay £12,50 costs.

Finally, a business was based in South Harrow entered guilty pleas to all summonses in connection with 300 electrical items, most of which were Christmas lights, that had been found to fall below the required electrical safety standards. The director was given a 12 month conditional discharge and ordered to pay £500 contribution to costs. The bench order forfeiture of the items seized.