

# CONSUMER PROTECTION PARTNERSHIP: UPDATE REPORT 2017

Fourth report on the work of the Consumer  
Protection Partnership



October 2017

# CPP membership



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# Foreword

We are delighted to introduce the CPP Update Report for 2017. It is five years since the wide-ranging reforms of the consumer landscape were put in place and the Consumer Protection Partnership (CPP) was created.

The CPP brings together consumer bodies covering all aspects of consumer protection. We represent consumer advocates and consumer law enforcers from all parts of the UK who are uniquely placed to work together to help tackle the issues facing consumers today.

This Update Report and those that have preceded it set out the important work that the CPP has undertaken over the last year on behalf of consumers. The Report also touches on the areas of concern for 2017 where the Partnership will prioritise its efforts.

The consumer world is always changing and the immediate future will be no different; as the negotiations on EU Exit take place, the CPP will work together to understand the impact on consumers and ensure they continue to benefit from the UK's strong consumer protections.

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## Executive summary

Now in its fifth year the CPP brings together key partners within the consumer landscape to better identify, prioritise and coordinate collective action to tackle those issues causing greatest harm to consumers where CPP Partners are best placed to act. This helps ensure important consumer issues are not overlooked and that partners collaborate to tackle detriment<sup>1</sup> more effectively than they could through working in isolation.

This is the Consumer Protection Partnership's (CPP) fourth report. It sets out work undertaken by the Partnership since April 2016 and outlines the current areas of work the CPP is focussing on.

### Progress during 2016

Over the past year CPP partners have worked collaboratively to:

- Raise awareness of **consumer rights in the electronic goods sector** through National Consumer Week (NCW). The “Switched On” campaign was launched in Parliament by the Consumer Minister, Margot James and reached over 18 million people.
- Raise awareness of scams and encourage consumers to seek advice and report scams through the annual **Scams Awareness Month** campaign. This year there was a particular focus on telephone scams building on the work undertaken by Trading Standards Scotland (TSS) and in Operation Linden's week of Action on the Telephone Preference Service (TPS) and call-blocking scams.
- Map consumer detriment and ongoing work to protect consumers in the **digital environment**. This identified subscription traps, unfair terms, and advertising of illegal goods as key sources of potential detriment on-line.
- Develop a better understanding of **subscription traps** and how they could be disrupted, for example through consumer education and potential avenues of intervention. CPP members are working with the government, financial institutions, EU Commission and social media companies to protect consumers being charged unexpectedly, e.g. when a free trial ends.
- Improve enforcement action and consumer education in the **secondary ticketing** market. In March 2017, the government published its response<sup>2</sup> to a review<sup>3</sup> of the application of consumer measures concerning online secondary ticketing facilities. The CPP has committed to implementing its recommendations for enforcement action and consumer education. Separately, in December 2016 the CMA launched an enforcement investigation into suspected breaches of consumer protection law by secondary ticketing platforms<sup>4</sup>.

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<sup>1</sup> A definition of “Consumer Detriment” can be found at Annex A of this Report.

<sup>2</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/599193/review-online-secondary-ticketing-facilities-government-response.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/599193/review-online-secondary-ticketing-facilities-government-response.pdf)

<sup>3</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/525885/ind-16-7-independent-review-online-secondary-ticketing-facilities.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525885/ind-16-7-independent-review-online-secondary-ticketing-facilities.pdf)

<sup>4</sup> [www.gov.uk/government/news/cma-launches-enforcement-investigation-into-online-secondary-ticketing](http://www.gov.uk/government/news/cma-launches-enforcement-investigation-into-online-secondary-ticketing)

## Understanding threats to consumers

The CPP has undertaken a number of activities to help understand the threats to consumers. These include the 2016 Citizens Advice study to estimate the total amount of consumer detriment experienced in the UK annually and the National Trading Standards commissioned report, using data from the consumer service helpline, into the ‘Most complained about traders.’

## Action for 2017

The CPP has identified three areas as priorities for 2017. These are:

- **Telecommunications** – mobile phone repairs and redress
- **Complex Prices** – reference pricing
- **Financial Products and Services** – poverty premium

These priorities are set out in more detail at page 32.

Alongside this work, the CPP is responding to the recommendations in NAO’s 2016 report on Consumer Protection (see page 29) which recognised the contribution the Partnership makes to the overall coordination of the consumer landscape. CPP is taking action to further improve the Partnership’s assessment of consumer detriment, including through the Consumer Detriment Survey, and taking action to improve the sharing of intelligence both within and outside the Partnership.

## CPP's work since April 2016

In 2016, the CPP identified the following as key areas for concern:

- Scams Calls
- Digital and Online markets
- Secondary ticketing, and
- Consumer Redress in the Electronics Sector.

The partnership sought to address these areas through a mix of enforcement, guidance and consumer education, and awareness raising campaigns.

### Scam calls

Consumers lose between £1.2 billion and £5.8 billion a year to mass-marketed scams via phone and post<sup>5</sup>. Scam callers tend to target the most vulnerable people in our society, often falsely offering profitable returns on investments to trick consumers into handing over large amounts of money. Elderly victims are the most susceptible and aside from any financial loss incurred, may suffer health issues such as anxiety and in some cases lose their independence as a result of being scammed.

Scams Awareness Month (SAM) aimed to help people recognise the tell-tale signs of a scam and to develop consumer confidence whilst also creating a culture for greater information sharing. The campaign also sought to promote a long-term strategic approach with local partnerships in developing resilience to scams. Scam calls were the theme for week one of the campaign. Further information about SAM can be found at page 15.

Trading Standards Scotland (TSS) coordinated the activity for telephone scams week which highlighted scams around the TPS and call blocking, pensions and investments, energy efficiency, advertising scams targeted at businesses and computer scams. It was also an opportunity to highlight some of the work carried out during Operation Linden's Week of Action.

### Operation Linden's week of action

Operation Linden is chaired by the Information Commissioner's Office (ICO). Its aim is to capture and share intelligence effectively and to identify, plan, deliver and promote coordinated activity to maximise enforcement opportunities against individuals and organisations responsible for breaching legislation associated with unsolicited marketing texts, live and automated calls and silent or abandoned calls. It also seeks to protect the privacy and consumers rights of individuals and to improve compliance.

TSS took on the role of coordinating the Operation Linden week of action in June 2016 which focussed on the misselling of the Telephone Preference Service (TPS).

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<sup>5</sup> [www.rand.org/pubs/research\\_reports/RR1510.html](http://www.rand.org/pubs/research_reports/RR1510.html)

This particular scam focussed on cold calling consumers who had previously signed up to the TPS to be told their subscription to the service was running out. The caller would then ask the victim to supply their credit or debit card details to renew their TPS subscription (a free service). In some cases the caller already had some of the victim's personal details (such as name, address and telephone number) which made the contact seem more plausible.

The overarching aim of this campaign was to raise awareness of this type of scam; encourage more people to sign up to the free TPS and to encourage more reporting of nuisance calls to the ICO. As well as raising awareness, the week of action also included covert enforcement action in the background, the outcomes from which were highlighted during Scams Awareness Month to demonstrate to consumers that scam calls would not be tolerated and that action would be taken. TSS was supported by partners including the ICO, Ministry of Justice, Citizens Advice, NTS Scams Team and the Direct Marketing Association.

Alongside this work, the CPP is responding to the recommendations in NAO's 2016 report on Consumer Protection (see page 29) which recognised the contribution the Partnership makes to the overall coordination of the consumer landscape. CPP is taking action to further improve the Partnership's assessment of consumer detriment, including through the Consumer Detriment Survey, and taking action to improve the sharing of intelligence both within and outside the Partnership.

### **Case study – nuisance calls**

Rogue traders who bombard the elderly and vulnerable with nuisance phone calls are to be stopped in their tracks by a targeted government scheme designed to protect those with dementia. Every year, thousands of complaints are made about nuisance phone calls. In February last year, one firm alone was fined £350,000 for making more than 46 million automated calls.

To help tackle the problem, a £500k project is being launched by National Trading Standards and supported by local trading standards departments. This will put hi-tech call blocking devices in the homes of some of the most vulnerable people across the UK as identified by doctors, Trading Standards officials, local councils and other partners as being at risk from nuisance callers. The trueCall devices will completely block all recorded messages, silent calls and calls from numbers not already pre-identified by the home owner, offering particular protection to those with dementia.

A similar trial scheme run by the National Trading Standards Scams Team last year resulted in 93% of participants feeling safer in their homes. This included one person who had previously paid £150,000 to a scam caller.

## Digital and online markets

Consumers are increasingly using the internet to compare and purchase goods and services online by providing personal data. The UK is Europe's largest online retail market with 14% of all retail activity done online. Total online sales of products in the UK were estimated to rise to around £48 billion in 2016.<sup>6</sup>

Digital markets have brought considerable benefits for consumers in terms of increased choice, lower costs and more innovative services. Evidence<sup>7</sup> indicates that high volumes of e-shopping in the UK are supported by high levels of trust amongst consumers. Whilst there are clear benefits to consumers purchasing online, there are also risks as consumers have less reliable information on the goods and services they are buying.

Given the wide range of issues that could potentially be covered by such a programme, CPP agreed it would narrow its focus to look at social media due to:

- its widespread usage by consumers (as of March 2016, 81% of UK consumers had accessed a social media platform in the previous three months);<sup>8</sup>
- the opportunity for synergies by working together with the Consumer Protection Cooperation (CPC) network within the EU, which has also identified social media as a common activity area; and most importantly,
- growing evidence of the potential for consumer harm.

The CPP has mapped consumer detriment and ongoing work to protect consumers in the digital environment. This identified **subscription traps**, **unfair terms**, and **advertising of counterfeit and illegal goods** online as key sources of potential detriment.

### Subscription traps

Subscription traps can cause consumers who think they have signed up for a free trial to subscribe for services – and to make a series of payments – without realising they have done so. This has been an area of focus for CPP members for a number of years.

In 2016, research by the European Commission highlighted that subscription traps are causing significant levels of consumer harm across Europe<sup>9</sup>. 14% of all online EU consumers had been affected by a problem caused by a free trial online<sup>10</sup>. A significant share of screened websites had unclear procedures to unsubscribe (43%). The report also found that adverts on social media were one of the key tactics used by traders to entice consumers onto their subscription trap websites<sup>11</sup>.

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<sup>6</sup> Mintel *Online Retailing UK, July 2016* at p26

<sup>7</sup> [https://ec.europa.eu/unitedkingdom/news/uk-consumers-most-confident-e-shoppers\\_en](https://ec.europa.eu/unitedkingdom/news/uk-consumers-most-confident-e-shoppers_en)

<sup>8</sup> Mintel *Social and Media Networks UK, May 2016* at p32

<sup>9</sup> European Commission *Misleading Free Trails and Subscription Traps for Consumers in the EU, February 2016* summarised here

<http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=25915&no=8>

<sup>10</sup> *Ibid* at p40

<sup>11</sup> *Ibid* at p42

CPP members have undertaken a range of activities to address these practices and work is still ongoing:

- Trading Standards, Citizens Advice and the CMA have taken forward discussions with UK Cards Association, the trade body for the card payments industry in the UK, to explore how victims of subscription traps can obtain redress. The group is continuing to engage with UK Cards and liaise with its membership to make continuous payment authority usage fairer.
- The CMA worked with the European Commission and other member states to ask social media platforms to address frauds and scams – including subscription traps – that mislead consumers when they use social networks. The companies have agreed to propose changes that should help to address this.<sup>12</sup>
- National Trading Standards and the CMA are also in the process of finalising an addition to the EU e-enforcement manual which will include some specific updates to tackle subscription traps.

As a result of this work, the government has committed to investigate ways to prevent consumers being charged unexpectedly when a subscription is renewed or a free trial ends.

## Unfair terms

Consumers use social networks to research buying decisions, to store and publish important personal data, including personal photographs and other self-generated content and to access networks of friends and business contacts. If social media platforms were to use unfair contract terms, these terms could, for example, prevent consumers from exercising their own rights under consumer protection regulations and/or allow a particular network to take action that could lead to consumer detriment.

The CMA has worked closely with the European Commission and other member states on an assessment of the terms and conditions used by social media platforms. The Commission recently asked a number of platforms to remove any unfair terms or conditions in their terms of sale. The companies have agreed to propose changes to address these issues.<sup>13</sup>

## Advertising of illegal and counterfeit goods online

Analysis of Citizens Advice complaints data shows an increase of 400% in consumer complaints about illegal sale of goods on social media by third-parties between 2010 and 2014. The 2014/15 IPO Annual Report also identified social media as the second highest category in terms of “location of sale” for counterfeit products.

The NTS e Crime Team and the National Markets Group are currently leading Operation Jasper, an ongoing, multi-agency project<sup>14</sup> to disrupt and prosecute individuals involved in the sale of counterfeit, illicit and unsafe products on social media. To date, around 80 investigations have taken place and over 7500 profiles/items of content have been removed

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<sup>12</sup> [http://europa.eu/rapid/press-release\\_IP-17-631\\_en.htm](http://europa.eu/rapid/press-release_IP-17-631_en.htm)

<sup>13</sup> [http://europa.eu/rapid/press-release\\_IP-17-631\\_en.htm](http://europa.eu/rapid/press-release_IP-17-631_en.htm)

<sup>14</sup> Other partners involved include the Intellectual Property Office, the Police Intellectual Property Unit, the Anti-Counterfeiting Group, the British Phonographic Industry and FACT)

from social media platforms. The work has been cited as good practice in the House of Lords<sup>15</sup> and is being drawn upon by other European agencies looking to tackle the issue.

### **Case Study – Operation Jasper**

During 2016-17 the National Trading Standards eCrime Team in partnership with the Intellectual Property Office, the National Markets Group and 80 Local Trading Standards Offices and local Police Forces targeted the sale of counterfeit goods being supplied online via social media platforms. This major collaborative exercise resulted in

- Over 100 investigations being launched resulting from 59 separate entry warrants
- 9508 infringing images being removed from social platforms
- Several thousand counterfeit and pirated products being seized
- 8100 infringing listings being removed from Facebook
- 55 full profiles being closed
- 217 warning notices being issued with over 100 cease and desist notices

Following the success of this operation, arrangements are being made to repeat the exercise in 2017-18.

## **Secondary ticketing**

Between April 2014 and July 2015, the Citizens Advice Consumer Service helpline received 1,669 complaints about the ticketing industry including sales. From that data, the CPP identified two areas of concern:

- The selling of fake or non-existent tickets for events by both individuals and companies; and
- The harvesting of tickets on a large scale to place on secondary ticketing platforms for re-sale at inflated prices.

Both practices drive up prices and restrict market access. When things go wrong, the average loss to consumers is an estimated £343. The CPP committed to prioritising work aimed at tackling concerns about compliance with consumer law in the secondary tickets sector during in 2016-17. Over the last year CPP members have taken a number of significant steps towards addressing these concerns, and will continue to work closely to maximise impact in 2017-18.

The government brought in new rules regarding tickets offered for sale on the secondary ticketing market in the Consumer Rights Act 2015 (CRA). These came into force in May 2015 and related mainly to the information that should be provided to purchasers using the secondary ticket platforms. Further changes to improve information provided to consumers and to ban the use of bots to get round ticket number limitations, brought in as part of the Digital Economy Act 2017, have not yet come into force.

The CRA also required a review of existing and new consumer protection measures to be carried out. The government appointed Professor Michael Waterson, a Professor of Economics

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<sup>15</sup> [www.theyworkforyou.com/lords/?id=2017-02-22b.335.3](http://www.theyworkforyou.com/lords/?id=2017-02-22b.335.3)

at the University of Warwick to chair the Review and his comprehensive Report<sup>16</sup> was published by the government on 26 May 2016.

The CPP Knowledge Hub provided data to Professor Waterson's review from complaints to the Citizens Advice Consumer Service helpline, National Fraud Investigation Bureau (NFIB) and Action Fraud as well as complaints on social media. Further information about the most problematic traders was also independently provided to enforcers by the Knowledge hub on a bi-monthly basis.

In response to a recommendation from Professor Waterson's review, the CMA is working with representatives of the live events industry on how unfair terms law applies to ticketing terms and conditions. After the CMA has concluded its discussions with the industry, the CMA will decide whether further work is necessary in order to bring about greater clarity in the law.

### **Case Study – secondary ticketing**

Throughout 2016-17 the NTS Regional Investigation Teams worked with a Local Authority in cooperation with a leading national venue to develop intelligence on the supply of counterfeit and duplicate tickets and the operation of the secondary ticket market.

The in-depth investigation produced intelligence and information which was analysed and reported to the review on Secondary Ticketing carried out by Professor Waterson. The information provided contributed to the plan of action to target the secondary ticketing sector. The programme of activity will be a collaborative exercise including, NTS, CMA, Trading Standards Scotland, HMRC and Citizens Advice.

National Trading Standards (NTS) and Trading Standards Scotland have also developed proposed enforcement measures which they will pursue, working closely with the CMA. The government will provide funds for this work. NTS has also taken enforcement action in relation to counterfeit and duplicate ticketing at a major UK venue after identifying this as a national enforcement issue.

Citizens Advice have been evaluating the current advice on their website in light of the Waterson review and are currently using the review's recommendations as a basis for new and updated content on this issue.

Derbyshire District Citizens Advice, through their consumer empowerment role, is focussing on ticketing scams. Their work has been looking specifically at young people and secondary ticketing, developing a survey to assess local university students understanding of secondary ticketing sites. Once the data has been analysed, they will create a toolkit and education resources for use by other local Citizens Advice and other organisations to engage with consumers (particularly young people) on this issue.

On several occasions in 2016 and into 2017 CCNI has reminded consumers to be vigilant when buying secondary tickets at inflated prices for sold out concerts and events, including Adele and Ed Sheeran, through issuing press releases and through local radio interviews and

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<sup>16</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/525885/ind-16-7-independent-review-online-secondary-ticketing-facilities.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525885/ind-16-7-independent-review-online-secondary-ticketing-facilities.pdf)

the local press. They have also produced a consumer factsheet entitled 'Buying Secondary Tickets for Concerts and Events.'<sup>17</sup>

Separately from the Waterson review, in June 2016, the CMA launched a review of compliance by the four main secondary ticketing platforms: Viagogo, Seatwave, StubHub and GetMeIn!. The review considered the platforms' compliance with undertakings provided to the CMA following its earlier investigation, as well as with other legislative provisions, including more recent legal requirements under the Consumer Contracts Regulations 2013 and the CRA.

In December 2016, the CMA launched an enforcement investigation into suspected breaches of consumer protection law identified during its compliance review. The investigation will focus on the following issues:

- Whether information is provided on who the seller is and any connections the seller may have with the platform or event organisers;
- Whether there are any restrictions on the use of resold tickets which could result in the person being denied access to the event; and
- Where a seat is located in the venue.

The CMA is now using its formal powers to gather information in relation to those suspected breaches.

## Consumer redress in the electronics sector

In 2016, the CPP highlighted consumer redress in the electronics sector as an area of concern that should be investigated because research conducted by *Which?*<sup>18</sup> in 2014 had shown that some retailers were giving misleading advice to consumers on returning faulty goods.

To address this, CPP raised awareness and educated consumers and businesses about rights of redress for electronic goods during the 2016 National Consumer Week (NCW 2016) campaign. The campaign, themed 'Switched on', was timed to coincide with Black Friday and Cyber Monday to capture the busy pre-Christmas shopping period when many people buy electrical goods. It is estimated to have reached over 18 million people via social media. It was launched by the Consumer Minister, Margot James in Parliament with Citizens Advice and organisations from across the electrical safety sector. Further information about NCW can be found at page 22.

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<sup>17</sup> [www.consumercouncil.org.uk/publications/consumer-factsheet-buyiny-secondary-tickets-for-concerts-and-events/](http://www.consumercouncil.org.uk/publications/consumer-factsheet-buyiny-secondary-tickets-for-concerts-and-events/)

<sup>18</sup> <https://press.which.co.uk/whichpressreleases/faulty-goods-still-a-headache-for-consumers/>

# Working together to tackle other consumer threats

## Care homes

In February 2016, Citizens Advice published a report<sup>19</sup> (based on mystery shops of over 400 care homes in England) highlighting concerns about aspects of the care home sector, such as short notice periods for fee increases and a lack of transparency around additional charges for services such as carer assistance. Following publication, Citizens Advice collaborated with the CMA by providing details of its research findings, sharing its future research plans, and agreeing to capture further intelligence through Consumer Service on the sorts of consumer issues being raised by care home residents and their families.

The information provided by Citizens Advice and other stakeholders helped to inform and influence the CMA's own work in the care homes sector and in December 2016 the CMA launched a market study into care homes for the elderly to review how well the market works and whether people are treated fairly. Amongst other things, the study is looking at how well care homes are complying with their obligations under consumer law and whether the current regulation and complaints system gives residents adequate protection. Their initial findings were published on 14 June 2017.<sup>20</sup> The CMA found that while many care homes offer a good service, some may not be treating residents fairly and certain practices and contract terms may break consumer law. The market study may lead to a range of outcomes, which could include making recommendations to the government to change regulations or public policy, taking consumer or competition law enforcement action, or actions which improve the quality and accessibility of information to consumers.

## Doorstep Crime

Doorstep crime remains one of the key priorities for NTS following the lead role NTS took in this Consumer Protection Partnership priority in 2014/15. The National Tasking Group has allocated funds to the NTS Scams Team to further develop some of the safeguarding work that was identified as being necessary and Trading Standards North West is developing further intelligence on doorstep crime.

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<sup>19</sup> [www.citizensadvice.org.uk/Global/CitizensAdvice/Public%20services%20publications/Hidden%20charges%20in%20care%20homes.pdf](http://www.citizensadvice.org.uk/Global/CitizensAdvice/Public%20services%20publications/Hidden%20charges%20in%20care%20homes.pdf)

<sup>20</sup> [www.gov.uk/cma-cases/care-homes-consumer-protection-case](http://www.gov.uk/cma-cases/care-homes-consumer-protection-case)

## Working together to raise consumer awareness

Through working together and with external stakeholders, the CPP aims to achieve greater impact in raising awareness and in educating consumers and businesses than could be achieved by individual partners alone.

Partners do this by collaborating and supporting each other not only for the two major campaigns in the consumer protection calendar – Scams Awareness Month and National Consumer Week – but also throughout the year where opportunities present themselves.

The CPP has supported campaigns and awareness raising activity of individual member organisations such as NTS' 'Friends Against Scams' initiative and the FCA's 'Take 5' campaign. This included social media support through Twitter/Facebook; information sharing activities and research projects; gathering data; sharing contacts and signposting to advice content.

### Scams Awareness Month 2016

Scams Awareness Month 2016 (SAM16) took place in July. Each week focussed on a different channel.

- Week 1 - focussed on Telephone Scams
- Weeks 2 and 3 - focussed on mail and online scams; and
- Week 4 - focussed on doorstep scams and local activity.

The aims of the campaign were:

- To help people recognise the tell-tale signs of a scam
- To develop consumers' confidence to take time, trust their gut instinct and seek advice
- To create a culture supporting greater information sharing to increase knowledge and dispel the sense of shame and secrecy that surrounds scams; and
- To promote a long-term strategic approach with local partnerships in developing resilience to scams.

## Figure: Leaflet produced by Citizens Advice about spotting scams

People in your area have been targeted by scams. Here are some tips on how to spot scams, where to get advice and how to report them.

### **Scam beware**

- The call, letter, email or text has arrived unexpectedly.
- They are telling you to keep it a secret.
- You're being urged to respond quickly so you don't get time to think about it or talk to family and friends.
- Get advice from the Citizens Advice consumer service **03454 04 05 06** who can provide advice and pass details on to trading standards.
- Tell a friend, neighbour or relative about any scams you become aware of.

**#scamaware**

This leaflet is a promotion by Citizens Advice as part of Scams Awareness Month.  
Return address: Citizens Advice, 3rd Floor North, 200 Aldersgate Street, London, EC1A 4HD.

### **Be scam aware**

- Send scam mail with a covering letter to: Freepost Scam Mail.
- Report suspected **postal** mail scams to Royal Mail by emailing: **scam.mail@royalmail.com**
- Sign up to the Mailing Preference Service. Its free and may cut down on unwanted mail: **www.mpsonline.org.uk**, 0845 703 4599 or write to MPS, FREEPOST 29, LON20771, London, W1E 0ZT
- Report scams or suspected scams to Action Fraud: **0300 123 2040** or visit **www.actionfraud.police.uk**

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.  
Registered charity number 279057.  
[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

## Key facts and figures



70% of the local Citizens Advice network worked in partnership with their local authority

38% of the local Citizens Advice network worked with their local police force

23% of the local Citizens Advice network worked with other local charities

44% rise in the number of campaign resources downloaded from the Citizens Advice website

Raised the awareness of reporting to Action Fraud. Half of reports in August and September were made online as a direct result of SAM16.

#scamaware saw a 22% increase in usage over 2015 and via Facebook the reach increased by 44% over 2015.

13% rise in the number of calls to the Consumer Service helpline in the month immediately following SAM16

18 pieces in National Media Coverage

70% increase in the number of pages viewed relating to scam content on the Citizens Advice website compared to previous month.

## Week 1: phone scams

Trading Standards Scotland coordinated the work for the telephone scams week working with the partners including the Telephone Preference Service (TPS) and the Information Commissioners Office (ICO). The aim of the week was to highlight scams around the TPS and call blocking; pension and investment; energy efficiency; advertising Scams targeted at businesses; and PC / computer scams.

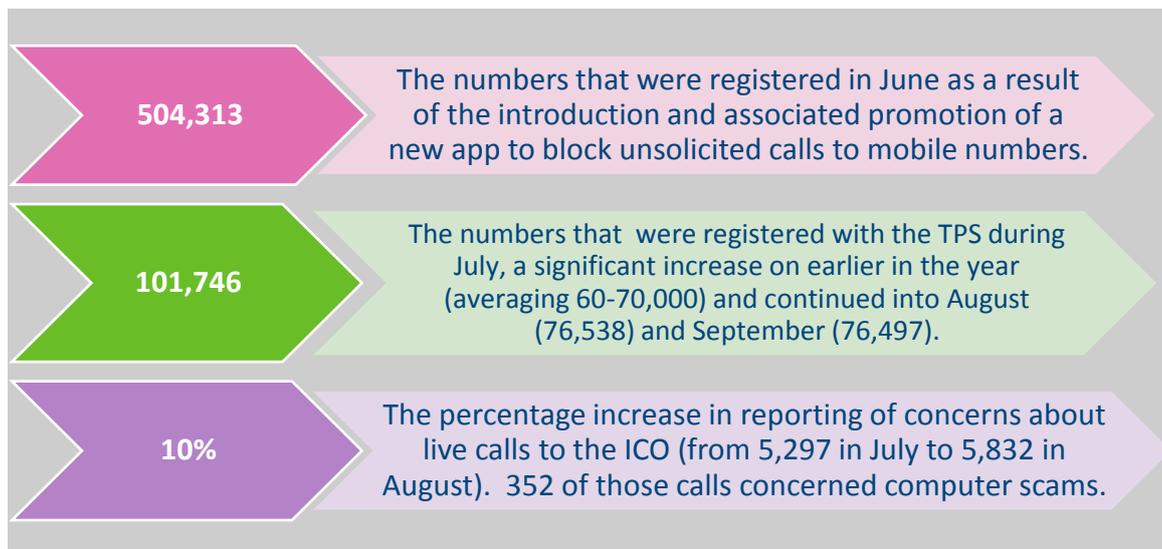
This provided an opportunity to highlight some of the work that had previously been carried out during Operation Linden's Week of Action in June which had specifically focussed on TPS and call blocking scams, and encouraged consumers to sign up to the TPS and report any unsolicited calls to the Information Commissioner's Office (see page 7 above). As a direct result of this work:

A £180,000 monetary penalty was issued to Advanced VoIP Solutions Ltd as a result of an investigation prompted by 6,381 complaints from the public. The company coordinated its nuisance call campaign from Eyebrow Cottage, a listed building in a Manchester suburb.

Bury-based Central Compensation Office Ltd also faced ICO enforcement action for making calls to people who had not asked to receive them and were registered with the Telephone Preference Service (TPS). The company has been ordered to stop or face legal action.

The ICO has reported that 167 cases are under investigation.

Linking Operation Linden in with SAM helped to keep the topic of TPS and call blocking scams fresh and helped to provide continuity of the message as well as promoting the Citizens Advice Consumer Helpline, and the ICO online reporting tool.



## Weeks 2 and 3: mail and online scams

This involved activity by both Citizens Advice and its local offices and the Mailing Preference Service (MPS). Activity included:

- Using data from the Citizens Advice Consumer helpline to identify those areas where most scams had been reported and people were being targeted.
- Producing postcards to communicate with older and vulnerable consumers and those without internet access and sending these to households in specific postcodes in Leicester, Birmingham, Harrow and Brighton to raise awareness of ways to report mail scams - **107,882 postcards issued** in total.
- Using Facebook sponsored adverts to the target postcode areas (in Coventry, Cardiff and Hull) that have experienced high levels of reporting online scams and resulting loss. **43,192 people saw these adverts.**
- **Bristol Citizens Advice** produced a **film** for YouTube highlighting the experience of an elderly carer who had lost thousands of pounds after falling victim to mail scams over a 10 year period.

628 cases related to bogus selling or scam postal/mail order/catalogue issues recorded by the Citizens Advice Consumer Service between 1 July and 30<sup>th</sup> September

An increase in September of registrations to the MPS of 11,621 as a direct result of the mail drop or awareness postcards.

The YouTube film of the victim of postal scams achieved widespread coverage locally, regionally and nationally.

## Week 4: doorstep scams and local activity

Through national and local partnerships involving NTS, Trading Standards and local Citizens Advice offices working with other local organisations such as the Police, Neighbourhood Watch, to continue to raise awareness of scams through cold calling and rogue traders.

During SAM16, NTS reported that media engagement had virtually doubled their social media stats.

Activity through local Citizens Advice collaborating with partners included:

Coventry Consumer Empowerment Partnership using the opportunity to coordinate a response highlighting scams to the West Midlands and Crime Commissioner's consultation on strategic policing

Hull and East Riding Consumer Empowerment Partnership setting up a conference to engage local agencies in working together to protect vulnerable consumers. This was attended by the Police and Crime Commissioner's Office, Trading Standards, JobCentre Plus, and the Fire and Rescue Service.

North Herts local office setting up workshops with local community organisations to raise awareness of how to protect vulnerable people from scams

The CEO of Reading local Citizens Advice speaking on Radio Berkshire's breakfast show on how to spot and scam and raise awareness of local trends

Scunthorpe local Citizens Advice holding a scams event with the local council which was attended by over 100 people.

North Ayrshire Citizens Advice office using SAM to promote awareness of scams and that free, independent and confidential advice is available to those affected by scams. This drew praise from Patricia Gibson, MP for North Ayrshire, and led to her co-sponsoring a debate on scamming and vulnerable individuals in the House of Commons in September 2016.

## Scams Awareness Month in Scotland



## Tackling scams in Northern Ireland

As part of their on-going campaign against scams, the Consumer Council for Northern Ireland (CCNI) worked collaboratively with the Police Service Northern Ireland and Trading Standards to produce a leaflet entitled 'Scams: Know the signs...to stop the crime'<sup>21</sup>. 7,000 leaflets have been disseminated to consumers and partner organisations, including Libraries NI and the Northern Ireland Housing Executive (NIHE). This secured significant media coverage.

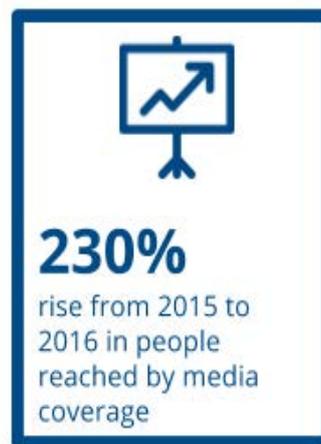
<sup>21</sup> [www.consumercouncil.org.uk/filestore/documents/Scams\\_Leaflet.pdf](http://www.consumercouncil.org.uk/filestore/documents/Scams_Leaflet.pdf)

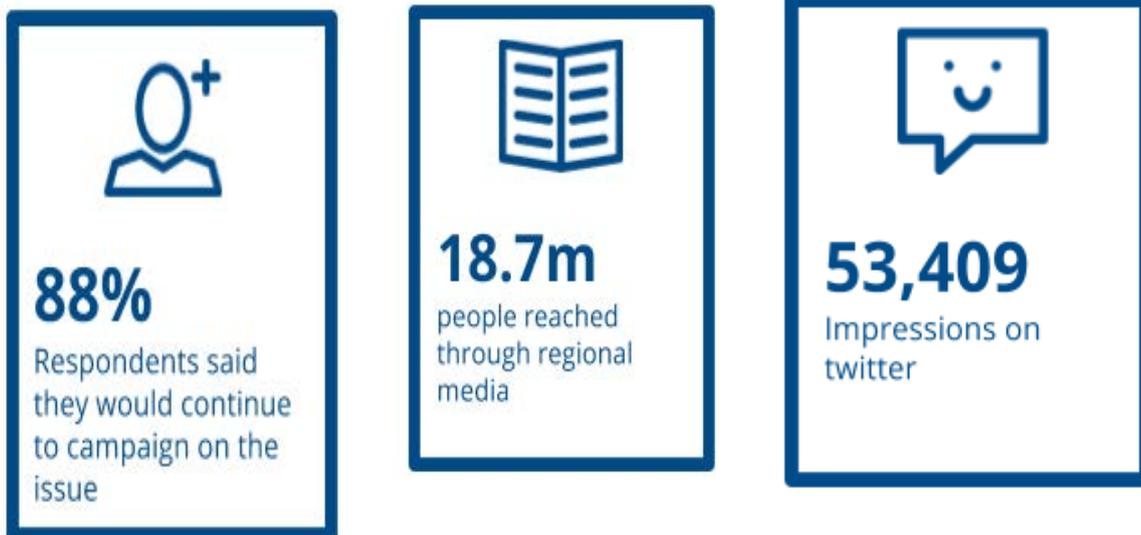
## National Consumer Week 2016

National Consumer Week (NCW) was held between 28th November and 2nd December, to capture the pre-Christmas shopping period, to educate consumers on how to seek redress if they had purchased a defective or unsafe electronic product.

The campaign message was “Switched On” and underpinned research undertaken by the CPP Knowledge Hub. The campaign aimed to:

- Raise awareness of consumer rights and avenues to redress amongst the public and business community;
- Raise awareness and understanding of product safety and counterfeit goods;
- Facilitate effective planning and working across CPP partners; and
- Engage with local organisations, specifically but not exclusively, local Citizens Advice and Trading Standards.





### Parliamentary launch event

For the first time National Consumer Week was launched at an event in Parliament which Citizens Advice led and co-ordinated, working with organisations from across the electrical safety sector.

The event was an informal “fair” hosted by the Consumer Minister, Margot James, to promote this year’s theme of consumer redress and product safety of faulty electrical goods. The fair included exhibitors from:

- Trading Standards Product Safety team
- Trading Standards Safety at Ports and Borders team
- The London Fire Brigade
- Electrical Safety First
- The Association of Manufacturers of Domestic Electrical Appliances
- Citizens Advice Hull and East Riding who have the Consumer Empowerment Partner role on electrical safety.

Information materials and staff were on hand to highlight key issues within the areas of redress and safety of electrical goods and there was a popular photo-call opportunity for parliamentarians.

In total, 62 Parliamentarians attended the event during a very busy day in both Houses, and this helped to spread messages via social media and local press and was mentioned in the House by those attending. It was also an opportunity for those organisations exhibiting to network and discuss key campaign issues.

## Participation and network engagement

Citizens Advice and Trading Standards have a network of consumer campaigners to help promote messages that inform the public of their rights, how to stay safe and tips on saving time and money. This year's campaign included the production of a range of resources to help spread the message about being "Switched On" to consumer rights and product safety on electrical goods. Activity included:

### Derbyshire District Citizens Advice

- Approached local electrical retailers with a poster and requested them to tweet their support of the "Switched On" campaign
- Worked with local primary schools to put on an exhibition about electrical safety

### Citizens Advice Hull and East Riding

- Took to the streets of Hull and spoke to people about their experiences of getting redress on faulty electrical goods which provided useful insights including how to reach audiences better. The resulting video received more than 300 shares on Twitter

## Feedback from participating organisations

"I do think the whole idea behind the campaign was a very good one and particularly relevant this year."

"I like the campaign. If we can get material earlier and run the campaign for a longer period, I think we could reach more people."

## Media coverage

Social media formed a large part of the NCW campaign:

Citizens Advice	<ul style="list-style-type: none"><li>• 53,409 related impressions</li><li>• 462 related engagements</li><li>• Most popular tweets about fake phone chargers and advice on Black Friday with 10,000+ impressions</li></ul>
Parliamentarians	<ul style="list-style-type: none"><li>• Good twitter coverage from parliamentarians from all major parties who participated in the launch event, many using the parliamentary briefings provided at the event of suggested tweets and photos taken with exhibitors.</li></ul>
Facebook	<ul style="list-style-type: none"><li>• 11,000 people were reached by the Citizens Advice national account post on Cyber Monday that featured top tips from their consumer expert.</li></ul>
Print Media	<ul style="list-style-type: none"><li>• Strong media coverage of the national news story “One in four refused refunds for faulty goods” used to launch the campaign on Cyber Monday which included a supporting quote from Margot James, the Consumer Minister</li></ul>
Reach	<ul style="list-style-type: none"><li>• Nine national media stories</li><li>• 18.7m people reached through regional/local print and online media</li></ul>
Chartered Trading Standards Institute	<ul style="list-style-type: none"><li>• Press release “Warning over fake chargers and second-hand electrics” which included a supporting quote from Baroness Neville-Rolfe, was picked up in 64 national and local media outlets including BBC News and The Times.</li></ul>

Citizens Advice and CTSI’s media offices worked together to successfully ensure media output was coordinated. This meant that at different times during the week the campaign and CPP partners were able to gain coverage for stories on consumer rights and electrical goods.

## National Consumer Week in Scotland

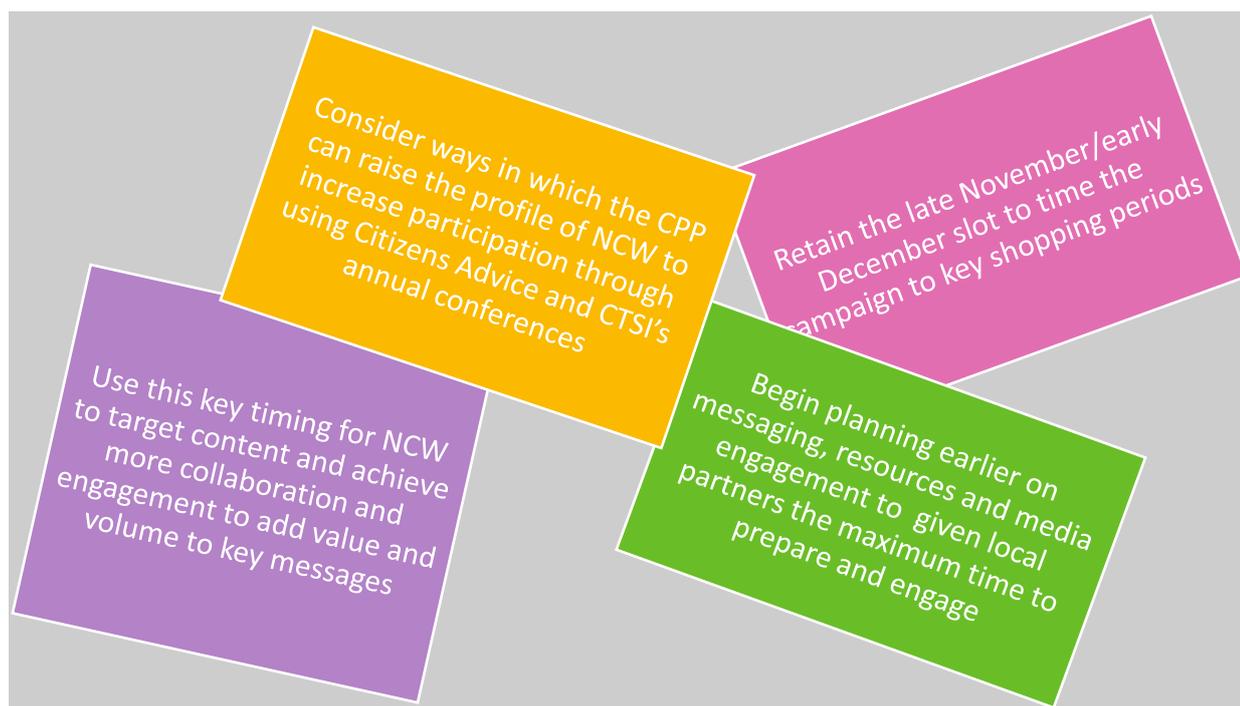
Adopting the same theme, Trading Standards Scotland and local authority trading standards undertook awareness raising activities including:



Local authorities were also involved in a range of activities during the week including:



Looking ahead to NCW 2017, the CPP will look when planning the next campaign to:



## Other media campaigns by CPP members

### Car Hire Awareness Campaign

The CPP report in 2016 highlighted work to look at issues consumers had experienced when hiring a car, following on from the work undertaken by the CMA with the 5 pan-European car rental companies who together account for around 80% of all UK rentals.

The CPP Communications Group worked together to raise awareness of 'what to consider before hiring a car' using the materials the CMA had developed. The CTSI and the ECC (UK European Consumer Centre) launched the campaign in May 2016.<sup>22</sup>

In July 2016 the CMA also wrote to a number of car-hire comparison websites asking them to make changes to how they present information to consumers.<sup>23</sup>

### Keep Warm this Winter

A joint campaign, 'Keep Warm This Winter', was launched in November involving Trading Standards Scotland, Citizens Advice Scotland and the Energy Saving Trust to raise awareness about the misselling of energy efficiency measures.

The aim of the campaign, predominantly promoted through social media, was to help consumers spot rogue traders who missell energy efficiency measures for their own gain, often leaving consumers in dire financial circumstances. The campaign highlighted a number of tips for consumers to bear in mind when considering energy efficiency measures for their homes; to report any suspected companies to the Citizens Advice Consumer Service helpline, and

<sup>22</sup> [www.ukecc.net/news/news.cfm/newsid/3106](http://www.ukecc.net/news/news.cfm/newsid/3106)

<sup>23</sup> [www.gov.uk/government/news/drivers-to-benefit-as-cma-takes-action-on-car-hire-websites](http://www.gov.uk/government/news/drivers-to-benefit-as-cma-takes-action-on-car-hire-websites)

encouraged consumers to contact Home Energy Scotland for advice on how stay warm and save money in the coming winter season.

The campaign was also promoted by Age Scotland, the Scottish Community Safety Network, the National Adult Protection Coordinator, the Good Morning Service and the Scottish Social Services Council.

Encouragingly, Home Energy Scotland reported they had received a number of calls from consumers who had seen the campaign and wanted to find out more. However, this remains an area in which consumers continue to be exploited and TSS continually strives to ensure the key messages reach the most vulnerable groups. Recent research carried out by the Scottish Older People's Assembly (SOPA) has identified that free solar panels and other renewable energy options are of great interest to older people so TSS intends to work closely with SOPA to ensure that the key messages regarding energy efficiency scams reach those who may be in danger of falling victim to these criminals.

## **ScamSmart**

The Financial Conduct Authority's ScamSmart communications campaign aims to equip over 55s with the knowledge and tools to prevent them falling victim to investment fraud. In 2016, the FCA launched a new phase of the campaign using advertising, press activity and communications through partners to build awareness of the signs of a scam. The campaign promotes the Warning List, an online tool that helps users find out more about the risks associated with an investment and to check a list of firms the FCA knows are operating without its authorisation. In 2016/17, over 300,000 users visited the ScamSmart hub and more than 26,000 checked an investment on the Warning List.

## **Northern Ireland Engaging Young Consumers**

Consumer Council consumer proficiency research consistently shows young consumers to be less aware and to feel less confident about their consumer rights than average. Therefore, young people have been identified as a priority audience for the Consumer Council to engage with.

To support this, the Consumer Council worked in partnership with Girlguiding Ulster to develop the 'Guided Consumer' badge and resources, helping to raise awareness of consumer rights amongst young people. Key messages included the range of protection consumers have under the CRA 2015, including a focus on digital content which has particular relevance to young teenagers. This initiative was launched by the Minister for the Economy, Simon Hamilton in October 2016.

The Guided Consumer initiative will reach approximately 2,700 young consumers aged between 10 and 14 and we are currently in contact with Scouts NI and the Boys Brigade to develop similar messages about the Consumer Rights Act 2015 for the boys' uniformed young sector in 2017 – 18.

## Strengthening the consumer landscape

### National Audit Office (NAO) report: Protecting consumers from scams, illegal trading and unsafe goods

The NAO's report 'Protecting consumers from scams, unfair trading and unsafe goods' was published on 15th December 2016. The Report reflects the positive progress that has been made by CPP partners to improve the landscape. This includes the improvements made by the Consumer Service and Trading Standards to improve the quality and quantity of data available for enforcers and to improve sharing of data within and outside the partnership.

The report also found the Consumer Protection Partnership has contributed to improved overall coordination of the consumer landscape and recognised the role that consumer advice and deterrent action has in preventing consumer harm. The report recognises the challenges facing consumer enforcement as a result of reducing resources in local authorities and the changing consumer markets.

The Report made the following recommendations for the Consumer Protection Partnership:

- **The department should ensure that detriment is estimated and reported regularly in a consistent manner.** This could involve a biennial evaluation commissioned and owned by the Consumer Protection Partnership covering analysis of both problems that consumers are aware of and available data on hidden detriment. It will ensure that all bodies have insight on the scale, distribution, and trends of consumer problems and can balance the response appropriately.
- **The department should work with the Consumer Protection Partnership to continue to improve intelligence gathering and sharing across the system as a whole.** This should involve addressing any barriers to intelligence sharing, and in particular making full use of information from consumer contacts.

In response, the CPP is working on a more comprehensive and objective assessment of consumer detriment against which the CPP will judge its work. As part of this, the CPP is considering the regularity and scope of the consumer detriment survey.

In addition, the Partnership is implementing a report on data sharing which was carried out by the Knowledge Hub in July 2016. This aims to remove barriers to intelligence sharing which impact on the Partnership's ability to assess consumer detriment.

## Understanding threats to consumers

In addition to on-going analysis of complaints data by the Knowledge Hub (CPP's shared intelligence resource) and the CPP Intelligence Group, in-depth reports are commissioned periodically to identify key issues to be considered by the CPP and to prioritise those areas of concern that should be tackled either individually or collectively.

### Consumer Detriment – Counting the cost of consumer problems

Citizens Advice carried out a study to establish the total level of consumer detriment in the UK economy in 2015.<sup>24</sup> The report, published in September 2016, found that:

- Consumer detriment occurs more often with TV, phone and internet services. By some distance this is the most frequently cited problem area with at least 27.6 million problems experienced, affecting 14.7 million individuals in the last 12 months surveyed and costing £4.2 billion.
- On average, younger people and those with higher levels of educational attainment reported more instances of consumer detriment whereas people aged 35 to 54 suffered the highest average cost of detriment compared to other age groups.
- Overall, the estimated value of consumer detriment, including indirect costs, and after deducting compensation was at least £22.9 billion, which equates to £446 per adult UK resident.
- In general, detriment in the most costly problem categories reflected a pattern of a relatively small number of high value problems which substantially impacted on overall cost. These included home maintenance or home improvements and professional services.
- 55 per cent of consumers surveyed had not sought (and did not plan to seek) a refund or compensation.

#### **Report: Consumer Detriment in the UK economy in 2015**

- 4,200 consumers interviewed for this study.
- Average of 2.4 consumer problems experienced per person in 2015.
- At least 123 million incidents of consumer detriment in 2015.
- Cost of at least £22.9 billion in 2015.
- 1.2 bn hours spent by UK consumers resolving problems in 2015.

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<sup>24</sup> [www.citizensadvice.org.uk/Global/karCitizensAdvice/Consumer%20publications/Final\\_ConsumerDetriment\\_OE.pdf](http://www.citizensadvice.org.uk/Global/karCitizensAdvice/Consumer%20publications/Final_ConsumerDetriment_OE.pdf)

## ‘Most complained about trader’ report

National Trading Standards (NTS) commissioned a report analysing data from the Consumer Service to find the “Most Complained about Traders” and analyse the reasons why complaints had been made. This has identified sectors or companies which may require interventions such as business advice or sectorial guidance.

As may be expected, a significant number of those traders identified were well-known national companies with high volumes of consumer transactions, with complaints largely relating to customer experience and customer care. The report also provided insights into problem sectors which have helped to enrich the NTS’ understanding of the findings from the Citizens Advice Consumer Detriment report as there were significant complaints about mobile phone contracts and financing relating to car purchase. NTS will produce the report regularly and the CPP will continue to take appropriate actions as a result.

## CPP priorities for 2017

As part of its response to the NAO, the CPP has improved the way it compares problematic consumer sectors to identify those areas it should prioritise. The CPP prioritises:

- (a) Significant or emerging causes of consumer detriment (as previously defined by the CPP), either to the specific individuals they affect or cumulatively across the population;
- (b) Not currently being tackled effectively by the relevant body, and/or;
- (c) More effectively tackled through coordinated and collaborative action involving interventions across the consumer regime, or;
- (d) Issues where consumer protection gaps exist, but where there are currently no tools to tackle it, and/or it was not in any one partner's gift to take action.

Using the above definition and data from the Knowledge Hub and Intelligence Group the CPP has identified the following priorities for 2017:

### Telecoms

The Consumer Detriment Survey ranked mobile and internet problems as the second greatest cost to consumers with £4.2 billion of detriment. This area also generated over 27 million issues. Ofcom, the sector regulator, is well positioned to address many of the problems in this sector. However, the Consumer Service receives thousands of complaints on a wide range of issues related to repair and redress and these may fall outside Ofcom's remit. For example around 43% of the 19,000 Consumer Service contacts about mobile phones in the past year related to faulty handsets, but mobile phone hardware falls outside of Ofcom's remit. The CPP has agreed to collaborate with Ofcom to address consumer detriment arising from repairs and redress in the mobile phone sector. This builds on the work carried out in 2016 to educate consumers on redress in the electronics goods sector.

### Complex pricing

Inaccurate reference prices can mislead consumers into making purchases they may not have made if the offer was communicated accurately. This is because reference pricing can be very effective at encouraging consumers to make a purchase they may not otherwise have made by increasing their perceptions of the value of the product and the inferred saving; it reduces the effort consumers put into shopping around and comparing prices; and affects consumers' intentions to purchase whether the reference price is genuine or not. Therefore there is considerable scope for consumer harm. The CPP is working to better understand the potential detriment arising from unclear reference pricing and to address difficulties experienced by consumers and businesses as a result.

### Financial products and services

£1.2 billion of detriment for pension and investment services was identified by the Consumer Detriment Survey. Some £242 million of detriment was identified for other financial services

such as credit and banking products. In total 5.7 million issues were identified in the financial sector. The CACS received 16,000 cases in the past year related to insurance issues. Personal pensions, bank accounts and credit reference agencies made up the majority of the 78,104 non-debt financial services issues seen by local Citizens Advice in England and Wales. The FCA has a full programme of work to examine and act in consumers' interests in the relevant financial sectors through its regulatory powers, including work to examine the business models used in the retail banking sector, to enhance its approach to current and future regulation of retail banks. The FCA's successful ScamSmart campaign is an example of the ongoing activity that is taking place to tackle consumer detriment in this area (see page 28 of this report).

## Next steps

The CPP will consider how it can best tackle the priorities set out above and take collective action to protect consumers, involving those best placed to make a difference inside and outside the Partnership.

The CPP's 2018 Report will highlight progress in tackling these issues alongside any new areas of concern which emerge over 2017-18.

## Annex A: CPP definition of ‘Consumer Detriment’

An important role for the CPP is to develop and present a national picture about the current level of consumer detriment – its extent, causes and the ways in which it is being tackled. It also seeks to highlight new areas where consumer detriment may arise. Before this could be achieved, the CPP agreed a common definition of “consumer detriment” to ensure clarity and consistency in collaborative work.

The CPP has defined ‘detriment’ as:

“A commercial practice or behaviour of a business or trader resulting in harm (loss of welfare) caused to individuals.”

Possible causes of detriment include problems with traders, consumers’ inability to exercise choice - for example because of the complexity of products and services - and failure of markets.

Detriment may have both immediate impacts – such as financial loss, wasted time and effort in remedying a problem and psychological effects – and longer-term impacts such as reducing consumers’ ability to maintain a standard of living or pay for essentials, loss of confidence in purchasing goods/services in particular markets or exclusion from markets, and it may also have a negative impact on consumer health and well-being.

# Annex B: the CPP and how it works

## CPP Vision and Purpose

The CPP's primary vision and purpose is to join up the consumer landscape to ensure, collectively and individually, we target our resources to achieve the best outcomes for consumers.

## Structure of CPP

The **Strategic Group** brings together leaders from across the consumer landscape. Its role is to set the strategic framework within which the CPP Operational Group should prioritise its activities for tackling detriment, and to hold collective accountability for agreed actions.

The **Operational Group** is made up of senior representatives from the partner organisations; it is accountable to the Strategic group for delivery within the strategic framework set by the Strategic Group.

The **Communications Group** brings together press officers and communication experts to create, share and coordinate communication campaigns and initiatives.

The CPP is supported by a shared **Knowledge Hub**. The Hub supports the CPP through facilitating intelligence sharing across the Partnership, internal and external horizon scanning to identify emerging threats and activities, and bespoke research on behalf of the Strategic or Operational Groups.

## Core membership

The Partnership members are:

- Advertising Standards Authority
- Citizens Advice
- Citizens Advice Scotland
- Chartered Trading Standards Institute
- Competition and Markets Authority
- Consumer Council for Northern Ireland
- Convention of Scottish Local Authorities/ Trading Standards Scotland
- Department of Enterprise, Trade and Investment Northern Ireland
- Financial Conduct Authority
- National Trading Standards

The Chair and Secretariat is currently provided by the Department for Business, Energy and Industrial Strategy.



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