

# National Trading Standards – Scams Team Review

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# Preface

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In December 2015, the National Trading Standards Board commissioned RAND Europe to undertake a review of the Scams Team (the Team). RAND Europe's review involved analysis of performance and administrative data held by the Team, a review of relevant documentation, and interviews with key Team staff, senior National Trading Standards staff and representative of key partners. We also surveyed all 200 local authorities' Trading Standards Services, and interviewed representatives of a small number of local authorities not currently involved with the Team. Our work also included development of a methodology for calculating customer detriment. This document provides the main findings from our work, as well as recommendations for taking the work of the Team forward.

RAND Europe is an independent not-for-profit policy research organisation that aims to improve policy and decisionmaking in the public interest through research and analysis. This report has been peer reviewed in accordance with RAND's quality assurance standards.

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# Summary

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## Background

RAND Europe was commissioned by National Trading Standards (NTS) to undertake an independent review of the Scams Team to help inform its future development, delivery and effectiveness. The Scams Team is one of eight teams within the NTS structure, and the main objective of its work (as stated by the Team itself) is to ‘reduce the impact of scams and consumer detriment’ over time. This review – undertaken between December 2015 and March 2016 – included:

- An assessment of the Scams Team in its current form.
- Recommendations for service improvements and future provision in the context of the Consumer Landscape Reforms, building on ideas generated by delivery partners.
- Recommendations for existing measures and measure of consumer detriment.

Given the scope of the project and timeframe, we drew mainly on four sources of evidence: a review of academic and grey literature; interviews with partners, local authorities, Scams Team and NTS members (21 interviews, see Table 7 in Appendix A); a survey of all 200 local Trading Standards Services (TSS) (we had a 45% response rate); and a review of documents and data provided by the Scams Team and NTS. We also held a ‘Theory of Change’ (ToC) workshop with staff from the Scams Team, to examine how its activities were expected to lead to the overall objectives, and examined the Team’s current methodology for measuring consumer detriment and savings and made suggestions for improvements.

Although being able to work with data on a substantial number (30,281) of victims was valuable, the data provided by the Scams Team for purposes of the detriment calculation has a number of limitations. In particular these included a large proportion of missing data fields and the reliance on the objectivity and accuracy of Trading Standards officers, as well the assisted victims. Nevertheless, it is the best available. We also relied on the Scams Team to assist with the identification of key stakeholders to interview, which potentially limits the objectivity of the selection to some extent. However, these external parties were well placed to provide a third party perspective.

## Overview

Based on our work we found evidence from a number of sources that the Scams Team plays a unique and highly valued role in promoting action against Mass Marketing Fraud (MMF). Its work is widely respected within the trading standards community and amongst a diverse and growing range of partners. Almost all of the 90 TSS responding to our survey (90 out of 200 local TSS completed it) considered the Team was ‘effective’ in fulfilling its objective of tackling MMF (28% ‘very effective’, 67% ‘quite

effective'). Nearly all respondents considered the Team was 'effective' in supporting their work (43% 'very effective', 54% 'quite effective'). Local TSS and other external partners also consider that the Team is tackling a problem which other agencies have failed to recognise or tackle in the past. The main concerns expressed about the Team's approach related to whether local authorities had (and would have in the future) sufficient resources to handle and act on the volume of information on potential victims provided by the Team, given the other demands on them at a time of reducing resources.

Using the Scams Team data complemented by information from prior studies, we estimate that the detriment caused by MMF annually in the UK is in the range of **£1.2–5.8 billion**. Due to low level of detail in the data, we were unable to carry out a sub-group analysis that we propose as the best practice, the results should therefore only be considered as **illustrative**. On the other hand, we believe that the estimate adds significant value to the discussion as it uses, contrary to the previous findings, average detriment adjusted for skewness of the detriment distribution rather than a simple average, which would yield substantially overstated estimates as a result of a small number of victims with excessively high documented detriment.

## What impact does the Scams Team have?

### *Helping to reduce the impact of MMF on consumers*

There is clear evidence that the work of the Team helps to identify previously unidentified victims, and through interventions with local TSS reduces the impact of MMF on them. The Scams Team is continuously collecting information on potential victims and had made 30,382 referrals of such people to local TSS (as of January 2016). Out of these potential victims, almost 70% were established by local TSS as confirmed victims. Some 76% of respondents of our survey of all local TSS stated that the intelligence from the Team 'often' helped identify victims, and another 20% said 'sometimes'. More than half (56%) stated that the intelligence 'often' led to support being provided to victims, and 34% said this happened 'sometimes'. This means that in general the information provided by the Scams Team helps identify those affected by MMF, and puts local TSS in a good position to conduct interventions with confirmed victims, as well as safeguard potential victims.

### *Helping to improve the lives of victims*

Due to the scope of this project we did not have direct contact with victims. However, we know that the Team's partnerships with local authorities are critical to their work in engaging with scam victims since the Team is reliant on TSS's presence on the ground. The Scams Team also designs a range of initiatives and pilots which are aimed at proactively educating, empowering and assisting individuals. Currently, these include the Mail Marshals project, and the Call Blocker project (see Chapter 3).

### *Disrupting MMF*

The Team has helped to galvanise many TSS into focusing on tackling MMF by providing support and information. It is clear that tackling the problem has had limited profile or attention in the past. While 6% of survey respondents to our survey (90 out of 200) reported having had their own scheme for tackling scams prior to working with the Team, 76% said they had tackled the problem only on an *ad hoc* basis. Some 74% of respondents agreed 'very strongly' or 'strongly' with the statement that without Scams Team input, MMF 'would have lower priority' in their authority. The Scams Team is also helping to



disrupt scams and make savings for many people, and – according to the Scams Team – no PO boxes had been used by scam companies in the UK for more than a year, as they had been closed down. Work with the police had also led to the shut-down of key players planning scams. However, given the scale of the problem, it is clear that the Team’s efforts are only succeeding in addressing a small proportion of the potential detriment caused.

### *Reduced consumer detriment*

The Scams Team’s work has helped to establish levels of consumer detriment as well as prevent future detriment. One measure which can be used here are the recorded savings generated by the work of the Scams Team. The Scams Team maintains a running total of different types of estimates. These are returned savings (£6.982 million as of January 2016) and total estimated savings, which is higher since it also includes the estimates of savings to consumers secured by the interventions of the local TSS when they contact scams victims (£15.8 million as of January 2016). Even if we take the lower number, the Team appears to have helped secure a significant amount of savings since its inception.

## **How effectively does the Scams Team cooperate externally?**

### *How well does the Scams Team work with partners?*

The Scams Team currently works with 40 partners. Our discussions with representatives of ten of them highlighted a number of common themes. All were positive about the work of the Team, which was seen as ‘expert’ and having ‘credibility’, in part as a result of the combination of experience within the Team. The Team was also seen as ‘very practical’ and good at ‘getting stuff done’ such as closing down accounts and PO boxes. A number of partners also commented on the effectiveness of the Team and its head in securing publicity through the media or events (e.g. party conferences). It is also clear that the Team is very good at adapting ideas from elsewhere, such as the ‘Friends Against Scams’.

### *How well does the Scams Team work with local authorities?*

As of February 2016, a total of 169 (out of 200) local authorities had established Service Level Agreements (SLA) with the Scams Team. Most of the remainder expect to do so, and only three have declined. Nearly three-quarters (72%) of local authorities considered the relationship with the Scams Team was ‘Good’ and 24% rated it as ‘Fair’. The main factors attributed to these views were the quality of the information provided (75%) and the quality of communications/feedback provided (68%).

### *The capacity of local authorities to support the work of the Scams Team*

The downside of working with local TSS is that these organisations are under considerable financial pressure and following up on potential victims is very resource-intensive. Thus, while there was clear support for working with the Team, there is considerable variation in how many cases TSS feel able to take under their SLA. Some 44% of respondents stated there had been occasions when they had limited the number of cases taken from the Team, although a similar proportion said they had not done this. In almost all cases, this was due to constraints on resources. Our analysis of outstanding referrals suggested it would take more than a year to process all those remaining in over 70% of local TSS under their SLA, although not all cases would merit referral. While most TSS were positive about relations with the Team, some felt feedback could be improved so they were better appraised of the outcomes in particular cases;

and the Team could provide more information about disruption activity under way and how particular scams operate.

### *Nature of intelligence received by the Team and how this is used by others*

The work of the Team is widely seen by local TSS and key partners as having raised the profile of a problem that was insufficiently, if at all, recognised previously. As a consequence, nearly three-quarters (72%) of survey respondents stated that without the input of the Scams Team, tackling MMF would have lower priority in the authority. A number of interviewees noted that neither the police nor the banks had been acting against MMF previously, and several observed that they simply had not appreciated the scale of the problem before.

People inside the NTS and a range of external partners interviewed referred to an increased understanding of the MMF problem and its complexity based on the information provided by the Team. The Team has been proactive in its communication of the main messages through events, conferences, newsletters, briefings, the Knowledge Hub (a platform for information and knowledge exchange for local TSS, developed by the Scams Team), etc. Local TSS were positive about the guidance and material provided. When asked what contributions the Team made to their work, 73% of survey respondents ticked the box 'Produces useful guidance and checklists on handling scams' and 66% ticked the box 'Issues helpful and informative newsletters'. When we ask specifically about the value of the Scams Toolkit, 37% stated that it was 'very effective' and 57% that it was 'quite effective'. The figures for newsletters were 29% and 64% respectively.

## **How does the Scams Team adapt to its environment and fit into the wider consumer protection landscape?**

### *Whether the Team allocates its resources against set priorities and has flexibility to change these*

We considered how the Team is organised and led in relation to factors likely to affect its effectiveness. The Team has a set plan of activities and clear management and governance arrangements which allow it considerable independence. It also monitors its activities routinely to measure its impact, and does a lot to evaluate and learn from its experiences and pilots. The allocation of resources is based on prioritisation of Team tasks according to importance and potential impact. We also saw that the Team shares information of potential victims in a prioritised way with local TSS. Furthermore, there is evidence that the Team is trying to gain a deeper understanding of how scams work and develop ways of tackling MMF based on its own and external research. Insights from this work are feeding into new initiatives and pilots to meet emerging needs of victims and tackle new ways scammers operate. This appears to help the Team change and adapt its priorities.

Since processing referrals is mainly an information management task for the Team with actual interventions done by local TSS, we assume it has the ability to process more referrals within existing staffing numbers. An increase in referrals mainly represents a burden on the resources for local TSS, although processing significantly more referrals would require the Scams Team to de-prioritise other work, as it does at the moment. This raises the question of whether NTS wishes the Team to be local-facing, or focusing on partnership development and the raising of awareness at a national level.

While it is for NTS to determine the size of the budget allocated to the Team, we noted that there was still uncertainty about future funding within weeks of the new financial year (not unusual where public funding is involved), which risks undermining the Team's ability to plan and its effectiveness.

### *Whether the role of the Scams Team is clear and understood as part of the wider consumer protection landscape*

Our survey of 200 TSS indicated that the role of the Team was widely understood and considered clear. Some 82% of respondents agreed with this statement, and the same proportion considered the results of the Team were well communicated. Almost all respondents (92%) agreed 'strongly' or 'very strongly' with the statement that the Team played a 'unique role in protecting consumers'. Partner interviewees were also unanimous in their view that the Team filled a gap in the consumer protection landscape that had been neglected, and that was only growing. Some within NTS we interviewed raised a wider point as to whether all NTS teams – including the Scams Team – could do more to work together.

## **What overall value does the Scams Team provide?**

### *How has the Scams Team 'added value'?*

The team appears to add value in a number of ways. Its national position appears to have: enabled a coordinated approach to the MMF problem across the country; brought economies of scale by avoiding the need for local TSS to develop their own understanding, etc.; concentrated multi-disciplinary expertise in one place; been a single focal point for relations with key national partners; and introduced innovative approaches and pilot projects.

The most valuable contribution that the Team is considered to make for local TSS is the information it provides to help identify scam victims (82% of respondents identified this feature of their work). The next most significant contributions were producing useful guidance and checklists on handling scams (73% of respondents); and issuing helpful and informative newsletters (68%).

### *Does the Scams Team provide value for money?*

Based on the evidence available, the Scams Team appears to be delivering significant added value which is securing beneficial outcomes which could not, and would not, be secured in its absence. Taking the total Scams Team budget across the three years of £584,896, and the total documented savings of £15.8 million, we get an overall estimate of the 'value for money' provided by the Team of **£27 saved** per £1 invested. If we only include returned savings (i.e. those that the Team is able to identify with a high degree of precision, £6.982 million as of January 2016), we get **£12 saved** per £1 over the three years. These calculations do not however, include local TSS costs, which are outside the scope of this review.

Based on interview evidence, the Team is also clearly building value through establishing partnerships which did not exist before, and linking TSS with a range of partners in new or more robust ways. As a result, considerably more is being done to support scam victims, many of whom were invisible to relevant authorities before. The Team is creating, utilising and disseminating information, insight and good practice to direct attention at a problem that was poorly understood previously. It is hard to establish a

suitable comparator, but evidence from our survey suggests that the range and quality of current activity could not, and would not, be delivered by local TSS acting alone.

Overall, we conclude that the Team provides value for money for the investment. The main risk to this continuing lies in the vulnerability of its network of relationships with local TSS to further budget reductions, which could limit or end their ability to follow up Team leads. A further question is whether NTS is optimising the expertise and potential of the Team given its relatively small scale in comparison to the estimated size of the MMF problem it is tackling.

## Recommendations

Against this background, we make the following recommendations for development of the Scams Team. We have divided them into those for the Team itself, for National Trading Standards, and for the government more generally. We have indicated in brackets whether the recommendations could be implemented right away (short-term), in the near future (medium-term), or whether these require wider changes in the long run (long-term).

### *For the Scams Team*

**The Scams Team should review the feedback it gives to local TSS** to ensure that it provides a clearer understanding of what has happened as a result of their (TSS) feedback. For the partnership with local teams to be effective, it is important that local TSS do not feel that information flows are only one way. (short-term)

**The Scams Team should review the quality and extent of the data that it collects and reports.** We refer here, for example, to the way numbers of potential victims and referrals/outstanding referrals are recorded, the way savings and detriments are recorded (e.g. only for a subset of referrals has information on savings and detriment been reported back to the Scams Team by local TSS). A more valuable data set will require additional details to be collected, so that, in addition to the estimate of the consumer detriment and savings reported by the local TSS officer, ideally they would capture information on the average number of scams the victim receives, how many they reply to, and the average loss per successful scam. This will allow for a more fine-tuned assessment of the impact of their work. (short-term)

Linked to this, **we recommend that the Scams Team consider our suggested revision to their approach (see Chapter 5).** In doing so, they should ensure that the approach remains conservative in its calculations and assumptions, in order to maintain credibility and secure buy-in. In introducing it, the Team will need to provide a rationale for the additional data collection to local TSS. (short to medium-term)

As part of its efforts to better understand the effects of its role and the best ways to tackle MMF in different circumstances, we recommend that **detailed research is undertaken to better understand the outcomes following intervention with different sub-groups of victims.** This would require some detailed case study work to track a number of victims after they have come to the attention of the Team. (medium-term)

**The Scams Team should consider what more it could do to provide explanations to local TSS** about scams and how they work, wider developments with disruption activity nationally, pilot projects and

research, etc. In some cases there may be limitations on what can be shared widely, but it is clear that some TSS officers would welcome greater information about the context and outcomes of work to tackle MMF. (medium-term)

**The Scams Team should develop a clear strategic overview of its work that describes all ongoing activities, projects and pilots.** This would cover the staff and budget assigned to activities and how they are linked to achieving outcomes and objectives. Now that the Team has been running for three years and has an extensive range of initiatives under way, this would provide a clearer overview of what proportion of its resources the Team is allocating to its various areas of work, as well distinguishing activities more clearly from each other and/or explaining linkages between activities. The ToC provided in this report could be a starting point for such a document. This will allow a more strategic approach, which is particularly important if the work of the Team continues to expand. (short to medium-term)

**A broader point is whether, and to what extent, the Scams Team should focus more on proactive work on shutting down scammers on the national and international level.** Some local TSS commented in our survey that the interventions (other than safeguarding and prevention) appear to be dealing reactively with a problem after the financial and psychological harm has already occurred. This points to a wider need for actively shutting down scammers at the source, although this is something that will require a more coordinated and resourced government response. (medium-term)

#### *For National Trading Standards*

While understanding the heavy financial constraints that NTS is operating under, and the range of its other responsibilities, **we recommend that the NTS Board might examine whether there is more that can be done to support the Scams Team to overcome some of the obstacles to effective working**, for example, through pressing for the ability to share data on ‘suckers lists’ with banks. (medium-term)

#### *For the government*

**The government should consider whether there is scope for legislative change which could prevent companies from sharing information and enable partners to tackle MMF more effectively.** For example, it was suggested to us that Royal Mail should be able to remove mail from the postal system more proactively. MMF could also be given the status of organised crime, with the respective police and crime agencies taking greater responsibility for tackling the issue (and increasing the resources dedicated to this work) since companies active in this area have further ties to money laundering and other organised crime activities. (medium-term)

# 1 Introduction

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## 1.1. Objectives of the project and methodology

In December 2015, RAND Europe was commissioned by National Trading Standards to undertake an independent review of the Scams Team to help inform its future development, delivery and effectiveness. This report has been prepared for the National Trading Standards Board and the wider trading standards community, as well as the Consumer Protection Partnership. The review was designed to cover the areas set out in the Invitation to Tender, in particular:

- An assessment of the Scams Team in its current form.
- Recommendations for service improvements and future provision in the context of the Consumer Landscape Reforms, building on ideas generated by delivery partners.
- Recommendations for existing measures and measure of consumer detriment.

To gather evidence for the project, RAND Europe held a ‘Theory of Change’ workshop (see below for more details and the ‘Theory of Change’ diagram) with staff from the Scams Team designed to examine how its activities were expected to lead to the overall objectives. We interviewed representatives of a wide range of partner organisations that work with the Scams Team. We issued a survey to all 200 local Trading Standards Services (TSS) organisations to gather their views on the effectiveness of the Team, and also reviewed documents relating to its work. We examined the current methodology for measuring consumer detriment and undertook our own work in this area. The research project was undertaken between December 2015 and March 2016. A full description of our methodology can be found in Appendix A.

The rest of this report is structured as follows: Chapter 2: The role and organisation of the Scams Team; Chapter 3: Impact of the work of the Scams Team; Chapter 4: Working with partners; Chapter 5: Measuring consumer detriment; Chapter 6: Value for money assessment; Chapter 7: Conclusions and recommendations.

## 1.2. What is Mass Marketing Fraud?

There is no commonly accepted simple definition of Mass Marketing Fraud (MMF), but it has been referred to as ‘a misleading or deceptive business practice where you receive an unsolicited or uninvited contact (for example, by email, letter, telephone or advertisement) and false promises are made to con you out of your money.’<sup>1</sup> Such ‘scams’ generally involve someone:

- Pretending to sell something they actually do not have
- Taking money without giving the promised good or service in return
- Supplying goods or services which are of a lower quality than those paid for; and
- Persuading someone to buy something using oppressive marketing techniques.<sup>2</sup>

Common scams fall into three categories. Firstly, there are **lottery and prize draw scams as well as inheritance scams**, whereby victims are invited to participate in lotteries or similar activities, such as prize draws and sweepstakes. Scammers send letters to potential victims informing them that they have won (or inherited) a financial reward, but must send a small sum of money to cover the administration of related paperwork. Secondly, there are **money-making scams**, in which potential victims are offered an opportunity to earn money quickly and easily. Such scams include ‘work-from-home’ or business opportunity scams (which ask victims for an upfront fee to participate, but in reality do not offer paid work). The third major type of scam involves the **sale of bogus products and services**, such as ‘miracle’ health and slimming products, clairvoyant and psychic scams, and bogus holiday scams. Some 40% of the adults surveyed in the Crime Survey of England and Wales (CSEW)<sup>3</sup> experienced some type of unsolicited communication involving false promises of prizes provided that upfront payments are made. Some 16% received an invitation to make an investment with a guaranteed high return.

**Scam victims** vary in terms of their awareness of the fraud committed against them, the extent to which they have participated, and in the financial detriment they experience. This is because scammers aim to target as many potential victims as possible and so customise their scams accordingly. While it is difficult to know whether certain groups are more susceptible to MMF, research suggests certain types of scams appeal more to particular victim profiles.<sup>4</sup> For example:

- Men are more likely to fall for high risk and property investments and advanced fee frauds.
- Women are more likely to fall victim to health and slimming scams, clairvoyants and psychic scams, and career opportunity scams.
- Younger people are attracted to ‘work-from-home’ or business opportunity scams and clairvoyants and psychic scams.

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<sup>1</sup> Office of Fair Trading (2006).

<sup>2</sup> <http://www.actionfraud.police.uk/types-of-fraud/mass-marketing-fraud> (accessed 22 March 2016).

<sup>3</sup> Crime Survey for England and Wales 2011/12.

<sup>4</sup> National Fraud Authority (2011).

- Older people are particularly susceptible to door-step providers (according to data collected by the Scams Team itself on potential victims, older people tend to be more often victims of MMF, see also Chapter 3 of this report).

The 2011 National Fraud Authority report also suggested that older people on low incomes were significantly more likely to fall for postal scams than any other groups defined by age or income.<sup>5</sup> Under the Postal Services Act 2011, Royal Mail must deliver all addressed postal mail, regardless of their suspicions about its origin and purpose, which has historically hampered efforts to reduce scam mail. Fraudulent mail is a keystone of the work of the Scams Team, and this is reflected in the typical profile of the victims with whom the Scams Team works: 74 years old and living alone (see Chapter 2). Vulnerable adults are at particular risk. The Alzheimer's Society estimates that 15% of dementia sufferers in the UK, around 112,500 people, have been victims of nuisance phone calls,<sup>6</sup> scam mail or miss-selling.<sup>7</sup>

According to the Office for National Statistics, those receiving the unsolicited communications were more likely people aged 25–44, with the highest rates of receipt found among those aged 25–34 (63%) and 35–44 (61%).<sup>8</sup> On the other hand, as described below, 70% of the potential victims actually assisted by the local TSS officers are over 70 years old, showing the focus on older, more vulnerable victims. A National Fraud Authority (NFA) survey in 2012 suggested that around 1 million UK adults sent money in response to unsolicited communications in the last year.

The NFA, among others, has mapped a **typology of victim by loss and degree of victimisation**. The largest number of victims has fallen for small-scale frauds, so small that they might not even be aware of them. A smaller group of victims is typified by falling for a scam only once or on a few occasions, but in the process suffer a high financial detriment. The smallest number is made up of chronic victims who have lost substantial proportions of their income or savings to scams, albeit often in small, but frequent increments. Once an individual has fallen victim to a scam, their details are likely to be added to a so-called 'suckers list', shared among scammers, and they are likely to be targeted for further scams.<sup>9</sup>

A joint study by the University of Exeter and the Office of Fair Trading (OFT) in 2009 examining the **psychology of scams** reported that between 10% and 20% of the UK population are a risk of becoming chronic victims. A scam victim has, on average, a 30% chance of falling for another scam within the following 12 months, often because they have been placed on 'suckers lists'.<sup>10</sup> However, the reporting rate for MMF is extremely low; according to one estimate, between 1% and 3% of victims report the scam.<sup>11</sup> There are many reasons for this: the victim may not know, or be in denial, about the scam; they may hold themselves to be partly responsible for their victimisation; the small financial detriment incurred may

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<sup>5</sup> Citizens Advice Scotland (2014).

<sup>6</sup> The Information Commissioner's Office defines nuisance calls as 'live sales calls or calls where a pre-recorded message is played. What these calls have in common is that there is an attempt to promote a product, service, aim or ideal.' <https://ico.org.uk/for-the-public/nuisance-calls/> (accessed 10 March 2016).

<sup>7</sup> Paul Kingston (2015).

<sup>8</sup> <http://www.ons.gov.uk/ons/rel/crime-stats/crime-statistics/focus-on-property-crime--2011-12/rpt---chapter-4.html>

<sup>9</sup> National Fraud Authority (2011).

<sup>10</sup> University of Exeter and the OFT (2009).

<sup>11</sup> National Fraud Authority (2011)



seem unimportant; there may be a feeling that the authorities will not pursue the fraud; there may be a lack of clarity about which agency to approach; they have a sense of embarrassment about falling for the scam; or there may be ambiguity about the illegality of the scam.<sup>12</sup>

The underreporting of scam victimisation poses challenges for estimating the **scale of the problem**. Nevertheless, research in the field indicates that relatively inexpensive modes of mass communications, such as telephone and direct mail, have transformed scam activities and raised them to a global scale. Unsolicited mailings, emails or phone calls can be disseminated using details obtained from a purchased mailing list or via automated calling systems. According to the OFT, mass marketing scams cause £3.5 billion worth of detriment to UK consumers every year, although the Scams Team assumes this could now range between £5 billion and 10 billion annually.<sup>13</sup> Using the Scams Team data complemented by information from prior studies, we estimate that the detriment caused by MMF annually in the UK is in the range of £1.2–5.8 billion. Due to low level of detail in the data, we were unable to carry out a sub-group analysis that we propose as the best practice, the results should therefore only be considered as **illustrative**. On the other hand, we believe that the estimate adds significant value to the discussion as it uses, contrary to the previous findings, average detriment adjusted for skewness of the detriment distribution rather than a simple average, which would yield substantially overstated estimates as a result of a small number of victims with excessively high documented detriment.

### 1.3. What are the consequences of MMF?

Table 1 illustrates the primary direct and indirect consequences for individuals, the economy, and local authorities as a result of scam victimisation. In extreme cases, the financial detriment incurred may result in the victim having to return to work or sell assets, and/or mean they may have difficulties obtaining credit in the future, due to the damage to their financial or business reputation. It may lead local authorities to assume responsibility for their care, and face the loss of taxable income from these individuals. Finally, many scam victims report changing their spending behaviour, and becoming less likely to respond to marketing materials. This can undermine legitimate businesses.

**Table 1: Direct and indirect consequences of scam victimisation**

Impact type	Impacts	Consequences for public authorities	Cost consequences
<b>Financial</b>	Loss of savings Debt Loss of income: time taken to clear name/rectify situation Sell assets/business Not able to secure credit Loss of employment Damage to reputation/ business credibility	Loss of financial independence Unemployment of employees from businesses which have been impacted	Cost of adult social care (per annum) Loss of taxable earnings/ increased social benefits

<sup>12</sup> National Fraud Authority (2011)

<sup>13</sup> NTS project, tender specifications.

<b>Psychological</b>	Stress/anxiety Shame/embarrassment Anger Fear Depression Loneliness Loss of trust in others Loss of self-esteem and confidence Loss of motivation and interest in other activities Damage to personal relationships Isolation	Inability to live independently Related cases going to the court system: bankruptcy, divorce, litigation, etc. Increased reliance on social services	Strain on public services Reduced ability for court users to pay costs
<b>Medical</b>	Physical health – decline faster than non-victims of a similar age Quality of life diminishes Decline of mental health Decline of medical health	Need for intensive healthcare or social care	Strain on public health sector
<b>Behavioural</b>	Decline in spending Changed purchasing and payment behaviour More likely to throw away unsolicited mail Less likely to shop online or use credit cards Less likely to respond to cold callers	Reduction in consumer confidence has implications for the legitimate economy Industries such as marketing undermined and lose profits	Reduction in taxation collected from legitimate businesses More money flowing into illicit economy

Sources: AgeUK; Office of Fair Trading; National Fraud Authority; Button, Lewis & Tapley. 2014. 'Not a victimless crime: The impact of fraud on individual victims and their families'. *Security Journal*. 27 (1): 36–54.

## 1.4. The consumer protection landscape

The consumer protection landscape has undergone major reform in recent years, designed to reduce its complexity, strengthen the effectiveness of consumer rights enforcement, and ensure consumers are empowered in a cost-effective way.<sup>14</sup> The main organisations are expected to cooperate within the Consumer Protection Partnership (CPP).<sup>15</sup> Since April 2014, the consumer protection landscape has been organised around the CPP, which consists mainly of the following organisations:

- **Department for Business, Innovation and Skills (BIS)** has the consumer policy lead.
- **Competition and Markets Authority (CMA)** enforces consumer protection legislation in conjunction with the Trading Standards Institute (TSI), National Trading Standards Board (NTSB) and TSS; it looks into wider issues of why markets do not meet consumers' needs, and

<sup>14</sup>National Audit Office (2014). Online <https://www.nao.org.uk/wp-content/uploads/2014/04/Update-on-consumer-protection-landscape-reforms1.pdf>; the report also provides a graphical representation of the consumer protection landscape including the actors mentioned in this report and their relationships.

<sup>15</sup>Ibid

looks for ways to address market failure beyond enforcing competition for cases that have market-wide implications.

- **Trading Standards Institute** (TSI) represents UK trading standards professionals across sectors.
- **National Trading Standards Board** (NTSB) consists of heads of local Trading Standards Services representing all Trading Standards Services (TSS) in England and Wales. NTS is leading the enforcement agenda, by identifying priorities and providing leadership and support for TSS to improve their ability to prevent consumer and business detriment.
- **Trading Standards Services** (TSS) are officers working for Local Authorities enforcing consumer protection legislation at local and regional levels.
- **Citizens Advice Service** (CAS) is a charity providing financial, legal and consumer advice across the UK, and, with the transfer of Consumers Futures to CAS, also assesses future problems that may arise.<sup>16</sup>

## 1.5. The role of the National Trading Standards Board

As mentioned above, the National Trading Standards Board (NTSB) consists of heads of local Trading Standards Services representing all Trading Standard Services (TSS) in England and Wales. It leads the enforcement agenda from a high-level perspective and supports TSS to improve their ability to prevent consumer and business detriment.<sup>17</sup> The National Tasking Group (NTG) is a subgroup of the NTS and consists of representatives of TSS and the CMA, which can prioritise and fund cases through regional Scambuster Teams where consumer detriment occurs on the national level.<sup>18</sup> Furthermore, it has delegated authority to make funding available from the NTS national enforcement budget for certain national work.<sup>19</sup>

## 1.6. The creation and role of the Scams Team

The National Trading Standards Scams Team (the Scams Team) was established in 2012, initially as a pilot, hosted by East Sussex County Council Trading Standards. It was developed out of a desire to deal more effectively with MMF on a local, regional and national level, and to support victims.<sup>20</sup> Prior to the creation of the Team, we were advised that local Trading Standards teams were able to make relatively little progress in combatting such fraud when it was actually identified. Many of those who suffered were scammed by people outside the area in which they lived, which meant local Trading Standards had no jurisdiction. Complaints were often ‘one-off’ and made by relatives, who might only discover the fraud after the victim had died. In such cases, any action that was taken was reactive, after the event and uncoordinated.

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<sup>16</sup>Ibid

<sup>17</sup>NTS, tender specifications.

<sup>18</sup>Ibid

<sup>19</sup><https://www.nao.org.uk/wp-content/uploads/2014/04/Update-on-consumer-protection-landscape-reforms1.pdf>

<sup>20</sup>NTS, tender specifications.

The Scams Team was therefore set up to ‘provide support and guidance to practitioners and organisations to decrease the amount of detriment caused to consumers in England and Wales as a result of Mass Marketing Fraud, through prevention, investigation and practitioner education.’<sup>21</sup> It has a national coordination and information gathering role to combat the problems discussed above. The team operates by receiving intelligence from partner agencies about victims of MMF, identifying and approaching the local Trading Standards Service operating in the areas where those victims reside, and entering into a partnership with them to take action. These interventions enable TSS to engage with the victim and can be done in partnership with local police forces or other agencies. The aim is to ensure appropriate support is provided.<sup>22</sup> Figure 1 below shows how the Scams Team fits within the overall NTS framework.

The Scams Team is one of eight teams within the structure of National Trading Standards. It is headed by a manager from East Sussex County Council Trading Standards. There are currently eight staff (6.5 FTE), of whom four are permanent, with the remainder on temporary contracts. The team is multi-disciplinary, combining trading standards and law enforcement expertise. The work is overseen by an NTS Deputy Board Member, who described his role as one of ‘critical friend’ and offering advice on strategic direction. In 2015–16, the Scams Team’s budget was £286,000. The Scams Team’s activities are guided by five objectives. These are:

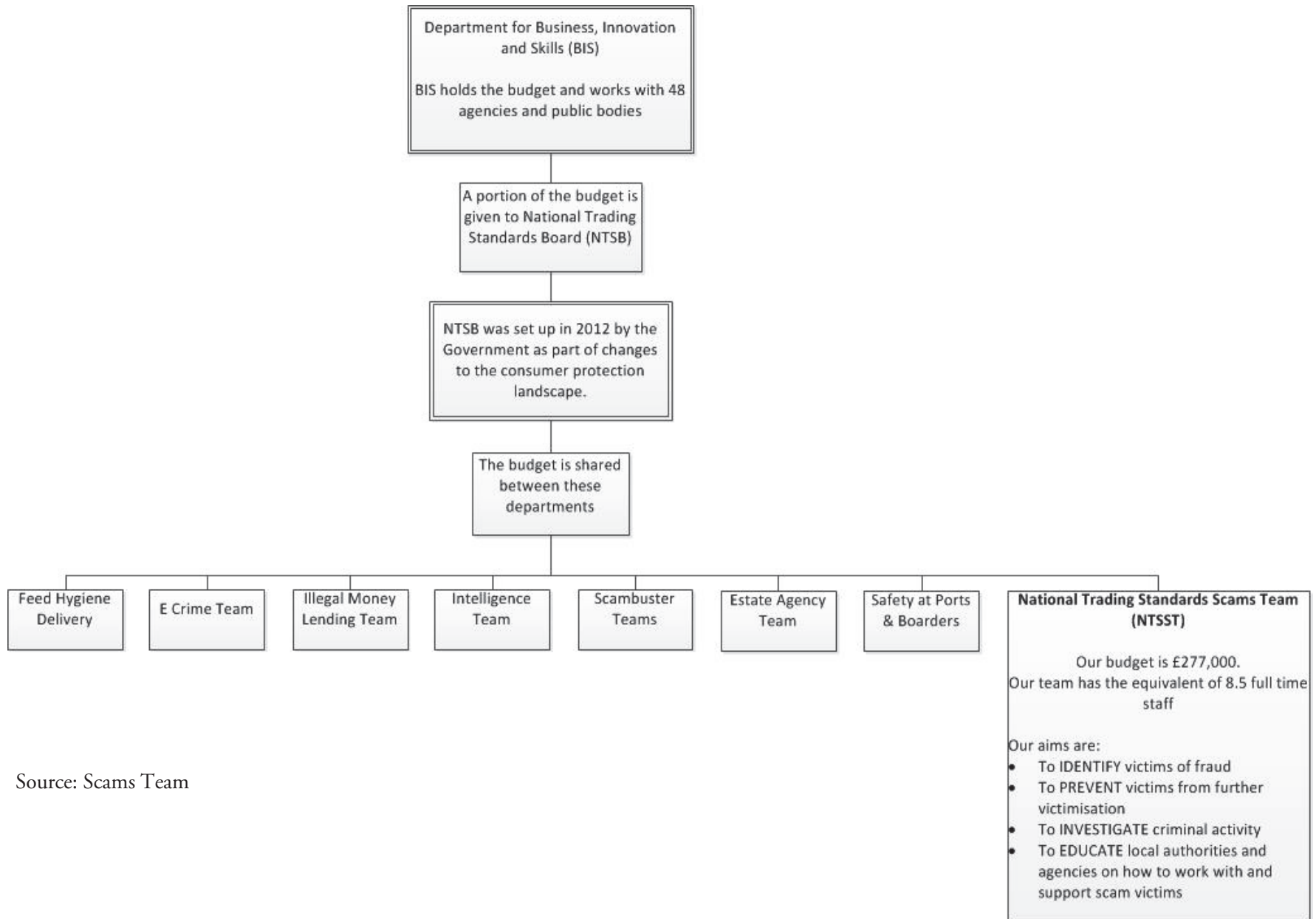
- To identify victims of fraud.
- To intervene and protect victims from further victimisation.
- To investigate criminal activity.
- To inform local authorities and agencies on how to work with and support scam victims.
- To influence people at local, regional and national levels to take a stand against scams.

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<sup>21</sup>Ibid.

<sup>22</sup>Ibid.

**Figure 1: The position of the Scams Team within the overall NTS framework**



Source: Scams Team



## 2 The role and organisation of the Scams Team

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### 2.1 Role and objectives of the Scams Team

This chapter examines the role and organisation of the Scams Team, in particular:

- Whether the Team is organised to focus on achieving its stated objectives (2.2).
- How the Team is managed (2.3).
- How its budget is allocated across its various activities (2.4).
- Whether its role is clear and well understood by stakeholders (2.5).

### 2.2 Mapping the work of the Scams Team

The chapter is based on work undertaken by RAND Europe to understand the ‘Theory of Change’ behind the activities of the Team – in particular, how the wide range of activities are designed to lead to specific outcomes and ultimately to meeting the Team’s overall objective of reducing the impact of scams and consumer detriment. Further details of how RAND Europe developed the ‘Theory of Change’ in a workshop with staff from the Scams Team can be found in Appendix A. Figure 2 summarises the ‘Theory of Change’ (ToC) in diagrammatic form and lists relevant indicators.

The ToC diagram focuses more on medium-term and long-term outcomes and activities, but inputs (mainly staff time, IT, etc) required to conduct the activities are also included. While at this point, inputs consist mainly of staff time changes in the future might justify some further differentiation between different types of inputs for different activities. In addition a set of suggested indicators are shown in the ToC diagram below which can be used to measure progress towards achieving outcomes and objectives. The list of indicators is primarily developed in order to measure medium-term and long-term outcomes. They were based on available documentation from the Scams Team itself.

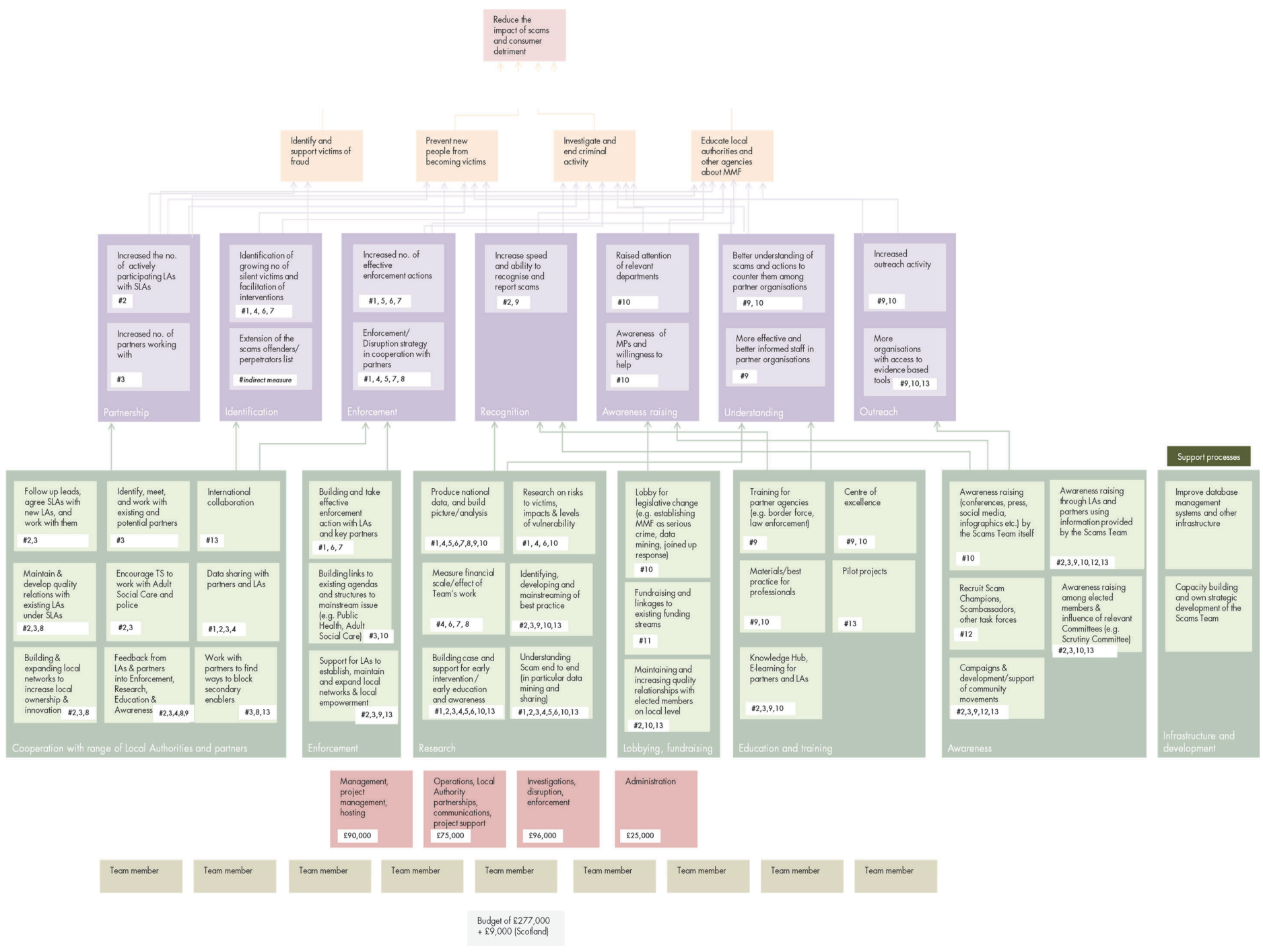
Objective

Long-term outcomes

Medium-term outcomes

Activities

Inputs





Indicators

<p>Number of scams victims identified by the team from victim lists supplied</p> <p>Details: Age, alive, moved, victim – yes/no/unknown</p> <p>#1</p>	<p>Number of Local Authorities signed up to Service Level Agreements</p> <p>#2</p>	<p>Number of key partners signed up to projects and pilots / increased awareness of MMF across organisations that deal with vulnerable people</p> <p>#3</p>	<p>Number of pieces of consumer intelligence received (victim lists, single victims)</p> <p>#4</p>	<p>Estimated consumer detriment (based on local authority estimates that a consumer has lost to scam mail in the past)</p> <p>#5</p>	<p>Estimated consumer savings from consumer interventions</p> <p>#6</p>	
<p>Actual savings to consumers (to include cash, cheques, PO and card and bankers draft payments)</p> <p>#7</p>	<p>Other results of interventions, e.g. cancelling Mail contracts and investigative/ disruptive work</p> <p>#8</p>	<p>Number of new training programmes, number of hours spent training partner organisations' staff</p> <p>#9</p>	<p>Number of new press articles, blog posts, leaflets, press conferences, briefings and lobbying activity etc.</p> <p>#10</p>	<p>Funds raised</p> <p>#11</p>	<p>Number of individuals recruited as Scambassadors, Scam Champions, and for other projects and pilots</p> <p>#12</p>	<p>Relevant outcomes of pilot projects including international collaborations</p> <p>#13</p>

Indirect measures

<p>Number of successful disruption/enforcement actions that have been supported or are as a result of the Scams Team and its work</p>	<p>Number of priority referrals from:</p> <ul style="list-style-type: none"> <li>• Think Jessica</li> <li>• Royal Mail</li> <li>• Swiss Post</li> <li>• MP's</li> <li>• MET</li> <li>• Northern Ireland</li> </ul>	<p>Number of scam offenders / perpetrators identified</p>
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### *2.2.1 Main objective and related long-term outcomes*

Sections 2.2.1 and 2.2.2 should be read along with Figure 2. This section describes briefly the stated main objective of the Scams Team, the expected mid-term and long-term outcomes that need to be achieved in order to secure the Team's overall objective, and in turn the agreed activities carried out in order to achieve these outcomes.

The main objective of the work of the Scams Team (as stated by the Team itself) is to 'reduce the impact of scams and consumer detriment' over time. In order to achieve this overall objective, a set of related **long-term outcomes** need to be achieved to:

- Identify and support victims of fraud
- Intervene and protect victims from further victimisation
- Investigate criminal activity
- Inform local authorities and agencies on how to work with, and support, scam victims
- Influence people at local, regional and national levels to take a stand against scams.

### *2.2.2 Medium-term outcomes and related activities*

In order to achieve the long-term outcomes and the main objective, a set of **medium-term outcomes** have to be achieved. These are clustered along different types of main impact areas that align with the wider mission and activities of the Scams Team. These are:

- **Partnerships:** This includes an increase in the number of actively participating local authorities with Service Level Agreements in place, as well as an increase in the number of partners working with the Scams Team.
- **Identification and support:** This involves the identification of a growing number of silent victims and facilitation of interventions that help these victims, as well as the extension of the number of identified scams offenders/perpetrators.
- **Enforcement:** This includes an increased number of effective enforcement actions to tackle MMF, as well as the development of an enforcement/disruption strategy in cooperation with the partners of the Scams Team.
- **Recognition:** This involves an increase in the overall speed and ability of the Scams Team to recognise and report scams/MMF.
- **Awareness-raising:** This refers to an increase in the wider attention given to the issue of MMF on the part of relevant public bodies, and an increase in awareness among Members of Parliament and a willingness to help to promote the issue.
- **Understanding:** This refers to an improvement in the understanding of how scams/MMF works and what actions can be taken to counter them among partner organisations, which increases effectiveness in tackling the issue.
- **Outreach:** This refers to an increase in outreach activity and more external organisations having access to evidence-based tools provided by the Scams Team.

A wide range of **activities** are undertaken by the Scams Team to achieve these mid-term and related long-term outcomes. These can be clustered into seven main areas:

- **Cooperation** of the Scams Team with a range of local authorities and partners.
- **Enforcement activities** aimed at building effective enforcement actions with local authorities and partners, and linking up to existing agendas and structures.
- **Research activities** which are targeted at building up a wider national picture of the scale and impact of MMF on society and victims.
- **Lobbying and fundraising** activities, aimed at generating wider support for tackling MMF across the government at the national and local level.
- **Education and training** activities, aimed at providing authorities and partners with skills and knowledge to tackle MMF, disseminating best practice and establishing the Scams Team as a centre of excellence on the issue of MMF.
- **Awareness-raising** activities, targeted at local authorities, partners, local communities and any other relevant organisations and the wider public.
- **Improvement of infrastructure and further development;** which are activities related to improving the capacity of the Scams Team itself.

## 2.3 Management of the Scams Team

Having described the range of activities undertaken by the Team, we also examined the wider issue of how it is organised, against a series of factors that are likely to affect the effectiveness and value for money of the Team.

**Planning and strategy:** The Scams Team has developed a detailed action plan, prioritised by importance, which allows it to focus on and track what it considers the most significant work, and reprioritise as necessary. This has been drawn up by the Team and is kept under regular review. The Team manager told us that when necessary, resources are diverted to deal with the most important task of processing of mail and forwarding information to local authorities. We would not, however, describe this as a strategy.

**Management and leadership:** Five interviewees (members of NTS staff but external to the Scams Team and/or having an oversight function) [I12, 14, 15, 16, 18] described the leadership of the Team as dynamic. In particular, the Team was seen as being led with energy and vision, and being very good at advocacy and communication. The Team manager also has considerable external visibility, and key partners spoke positively of her contribution to raising the profile of the MMF problem.

**Ethos and culture:** During three visits to the Team's offices in Eastbourne for a 'Theory of Change' workshop for all staff, as well interviews with key Team members, we observed a team with a wide knowledge on the subject matter and strong commitment to the Team's mission and work. We also noted a data-driven approach, with a clear focus on recording information and using data to improve performance. There was also interest in the development of new approaches, educational material and wider outputs on MMF. Our observations were endorsed by feedback from local TSS, who commented positively in a large number of cases about the positive nature of contacts with the Team.

**Governance:** We interviewed senior National Trading Standards staff with oversight roles for the Scams Team, as well as NTS Board members. Those most directly involved emphasised that they take a light touch approach to oversight and that the Scams Team operated independently [I12, 15]. There are governance meetings in London, but most of the oversight on specific issues (call-blocker procurement was mentioned) comes through email and discussion. There is regular reporting of progress, and regular contact between the Team manager and NTS.

**Monitoring and measurement:** This is largely covered by Chapter 5, but we observed that the Team’s activity reporting (the Flare report) is circulated weekly, and helps to provide all team members with a clear idea of what they are achieving. The report includes a number of indicators and provides a running total as well as highlighting progress in the last week.

**Learning culture:** It is clear that the Team takes an active interest in understanding the nature of scams, thinks about how they work and can be disrupted, and considers carefully which organisations they can usefully collaborate with to help them in their work. The monitoring of the effect of initiatives (eg the call-blocker project) shows that they take the evaluation of initiatives seriously in order to learn from their results.

## 2.4 Budget and allocation of resources

We were advised that National Trading Standards has a grant agreement with the Department for Business, Innovation and Skills. The Scams Team is a project funded by the National Trading Standards Board (NTSB) and hosted by East Sussex County Council Trading Standards Service. Table 2 sets out the Scams Team budget for 2015-16 and how it is allocated to particular activities.

**Table 2: Scams Team budget 2015–16**

	£	FTE
Management, project management and hosting	100,000	2
Operations, local authority partnerships, communications, project support	65,000	2
Investigations, disruption, enforcement	96,000	2.5
Other/expenses/legal	25,000	
<b>TOTAL</b>	<b>286,000</b>	<b>6.5</b>

We asked the Team manager how decisions were made about where to allocate resources and how prioritisation could take place given the wide range of possible activities. Given the limits on available resources, the Team maintains a long programme of projects and activities, which have been given a rating of 1–3 in terms of their importance. This allows the Team to prioritise its workload. Each activity has been categorised by work type (e.g. awareness, enforcement, safeguarding) and allocated a lead officer. We were told that new activities or ideas for different approaches were generated in various ways,

including from conferences and contacts with other partners. This may generate pilot projects, which are then evaluated and decisions made on whether to pursue more widely.

The Team maintains oversight on projects through regular team meetings, allowing it to assess what it is doing and whether there are activities that should be stopped. In interview, the Team manager emphasised that processing information and disseminating it to local authorities was the top-priority work and that other activities were necessarily subordinate to this. As a result, they could handle large influxes of mail, for example, by holding a 'team day' and deploying the whole Team to process it. There are also occasions where each member of the Team takes the contact details of local authorities without SLAs and 'cold calls' them to try and persuade them to take one up.

These relatively informal arrangements seem adequate and appropriate for such a small team, all located together in close proximity. The activities spreadsheet does not amount to a formal strategy, but the Team does have a separate document which states clearly what outcomes it is trying to secure and what performance indicators allow it to monitor and track progress. An expansion in the work of the Team would require more formal arrangements, and we consider that given all the activities under way, there is merit in having a more formal strategy document. The Team has considered what would be the implications of budget reductions on activities. We saw analysis that showed the impact of cuts in resources and what work types would be sacrificed at 5%, 10% and 15% cut levels.

## 2.5 Clarity around the role of the Scams Team

The effectiveness and value for money of the Team depends in part on whether its role is understood by those who work with it, or could potentially do so. Without this, there is a risk that opportunities will be missed or there will be confusion among external observers. We asked local authorities, key partners and stakeholders (including relevant government departments and agencies) and senior NTS staff for their views.

- **Local TSS:** Our survey of all 200 TSS suggested that the role of the Team was widely understood and considered clear at local level. Some 82% of the 90 respondents (45% of the 200 local authorities) agreed with the statement 'I am clear about the role of the Scams Team'. Almost all respondents (92%) also agreed 'strongly' or 'very strongly' with the statement that the Team played a 'unique role in protecting consumers'.
- **Partners:** Unsurprisingly, given the roles that our interviewee organisations played, there was also wide recognition of the Team's role, and a belief that it was clear and well communicated, in particular, by the Team manager at presentations and conferences. Despite this, one interviewee acknowledged that with a number of bodies operating in consumer protection, there was always value in explaining the distinct remit of the Team as often as possible [18]. Another agreed that it was 'fairly clear, but could do with restatement'. We also asked partners whether there was any overlap and duplication by the Scams Team with the work of other organisations. Most interviewees did not consider this was an issue, although one agreed there could be difficulties in defining where all the bodies fitted into the landscape, and acknowledged that there might be confusion for those not involved in the sector [18].

- **Senior NTS staff:** We also discussed the position of the Team with senior NTS staff in order to understand how the Team fitted into the wider NTS landscape. Representatives from other core NTS teams said that from the outside the Team seemed very effective and had a clear role [I14, 16, 18]. One stated that they had learned from the approach of the Scams Team, and would like to have the opportunity to work together more closely in the future [I18].

## 2.6 Other organisational issues

Although it is for NTS, and ultimately the Department for Business, Innovation and Skills, to determine the size of the budget allocated to the Scams Team, and how the Team fits within the larger framework of NTS, we offer some observations on other organisational issues which, in our opinion, are likely to impact on the potential of the Scams Team and the value for money it delivers to the taxpayer. In particular:

- **Degree of uncertainty:** During our research we were advised that the budget for 2016-17 for the Team would not be known until the end of February. While appreciating the pressures on all public bodies and the nature of government budget settlements, it is worth highlighting the difficulties this can present for the Team in taking a longer-term strategic view, planning and developing relationships with external partners, and recruiting and retaining staff (many of whom are on short-term contracts).
- **Scale:** Chapter 1 highlights the estimated scale of the problem of MMF and its complexity. Again, we recognise the financial pressures on the public sector, but it is also worth highlighting that the Scams Team is widely seen amongst those we interviewed as small in comparison to the size of the task it faces.
- **Position within the NTS 'family':** A number of NTS stakeholders raised the issue of how the role and position of the Scams Team fits with other teams including the e-Crime Team and the Scambusters teams [I14, 16, 18]. One interviewee suggested that more could be done to bring the work of the teams together (e.g. providing the Scams Team with investigatory assistance) to make the most of the available resources [I18]. This is a wider issue, however, about how NTS is organised.
- **Combination of roles and future-proofing:** The Scams Team combines a local-facing role (working with local TSS) and a national-facing role (e.g. developing partnerships with external organisations). While these are complementary and part of a whole process, they can also be seen as separate activities. If continuing budget reductions in local authorities meant that some local TSS were unable to take on further scams work, this dual focus could allow the Team to nevertheless continue to play a very important role at a national level, working with a widening range of key partners and raising the profile and understanding of the problem. This would ensure that the expertise that has been developed would not be lost.

## 3 Impact of the Scams Team

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This chapter examines the evidence of the impact of the Scams Team. It considers the data collected by the Scams Team and local Trading Standards Services (TSS). It also draws on our survey of local authorities in which we asked what impact the Scams Team had on helping them tackle scams, and on the interviews with key partners. We also examine the impact of a number of Scams Team projects, and consider other ways in which the Scams Teams seeks to ‘add value’.

### 3.1 Victims identified by the Scams Team and approached by local TSS

The Scams Team receives information about potential victims of scams from various sources, collects this information and refers it to local TSS. When the Team receives information on potential victims it does not always have details about the circumstances of these individuals (e.g. if they are still alive, in care, or if they have moved) and whether they have definitely been scammed. In 169 out of 200 cases, local TSS have committed to take on a certain number of referrals per month under a Service Level Agreement (SLA). This normally involves:

- Establishing contact with the victim in person, i.e. a TSS officer visiting the victim.
- Talking to the victims, informing them that they might have been scammed and trying to establish whether this is the case.
- Trying to persuade the victim to stop responding to scam mail.
- Recording information about past detriment (derived from memory or, where available, bank statements, etc.) as well as future savings (how much money would the victim have lost in the future if the intervention had not taken place). Where available, individual detriment and savings are normally recorded and reported back to the Scams Team.

Information is then reported back to the Scams Team. As of January 2016, the total number of potential victims approached by local TSS, and for which information has been reported back to the Scams Team, was 30,382 since April 2013.<sup>23</sup>

The Scams Team also records how many victims have been identified over time in total. RAND Europe used a spreadsheet showing about 144,000 total potential victims identified between 2013 and 2016 by

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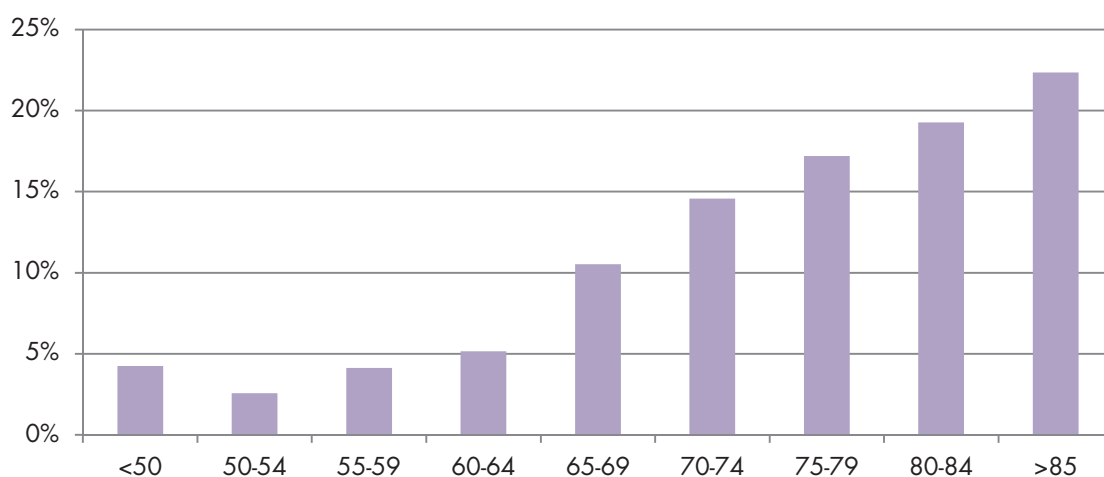
<sup>23</sup> Source: Scams Team database



the Scams Team, out of which 82,000 referrals have been made to local TSS.<sup>24</sup> Our analysis of a separate Scams Team database shows that out of the 30,382 referrals, almost 70% were established by local TSS as confirmed victims. Only about 15% of those contacted said that they were not scam victims, and for the remainder status could not be confirmed (e.g. because the person had moved or died). This suggests that in general the information referred to local TSS is reliable and allows local TSS to make contact with a large number of people who have definitely been scammed in the past.

Figure 3 shows the distribution of all potential victims approached by local TSS by age, as estimated by the TSS officers.<sup>25</sup> Over 70% are 70 years or older. This may be a reflection of the overall population of victims, but also that the Scams Team prioritises the referral of information on more elderly victims.

**Figure 3: Percentage of visited potential victims by age**



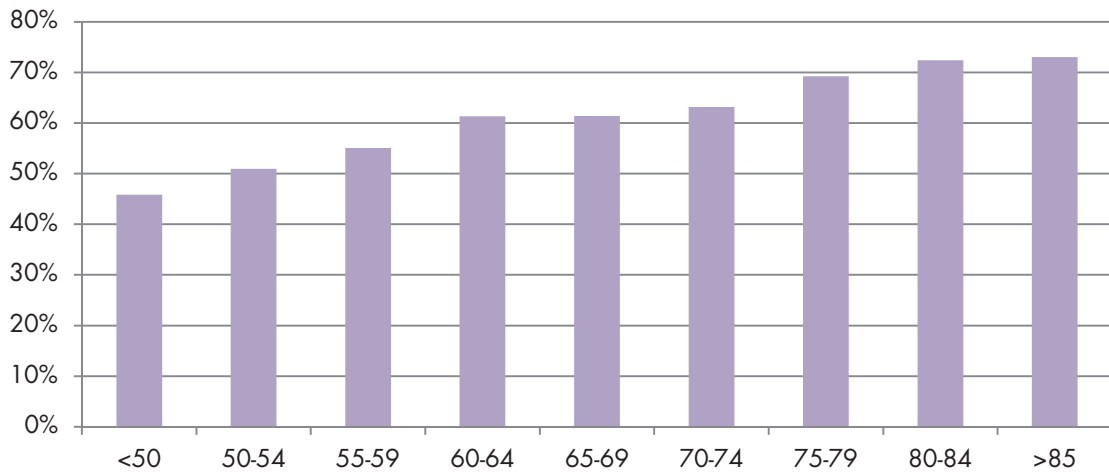
Source: Scams Team database, 2016

Figure 4 examines the age distribution of confirmed victims (4,163 observations) where details are available. It suggests that the likelihood of an identified potential victim turning out to be a confirmed victim increases with the age of the individual. Based on this information it seems that older people are more vulnerable to scam, although there are some caveats such as that potential victims considered to be more vulnerable by the local authority have higher priority in being assisted, whereas potential victims assigned lower priority (i.e. possibly younger victims) have not been assisted yet.

<sup>24</sup> RAND Europe has been informed by the Scams Team that there were actually about 270,000 identified victims over the years with another additional 300,000 coming in which have not been processed yet. This means that the total number could be way closer to 600,000. However, for the purpose of this report we used the numbers on victims identified and referrals made from the database that was made available to us by the Scams Team, which has lower recorded numbers.

<sup>25</sup> Based on sample of 6,258 people – only 20.6% of victims recorded in the Scams Team have an estimated age as documented and reported by the local TSS.

**Figure 4: Percentage of each age group visited confirmed as victims**



Source: Scams Team database, 2016

### 3.2 Evidence of disruption to Mass Marketing Fraud

Any examination of the response to Mass Marketing Fraud needs to consider the evidence of the scale of the problem. Inevitably, the data available is based on very limited information, usually estimates. Available evidence provides very approximate figures, some of which are almost a decade old. For example, the Office of Fair Trading (OFT) reported in 2006 that detriment to UK consumers was around £3.5 billion.<sup>26</sup> The Scams Team's work suggests that each year mass marketing scams cause an estimated £5–10 billion worth of financial damage to UK consumers. Age UK puts the figure at £9 billion worth of detriment to UK consumers each year. Other data suggests that almost half of the UK adult population has been targeted by a scam at some point, and that 3.2 million people fall victim to a scam each year (1 in 15). The Scams Team Management data<sup>27</sup> therefore suggests that however effective the Team is, they are only making a small dent in the problem.

There is also evidence that the Scams Team's work has helped to disrupt MMF. The Scams Team is involved in a wide range of disruption, enforcement and investigative activities which are aimed at stopping the MMF at the sources so that scammers are not able to reach their victims in the first place and are prosecuted for past activities. Examples of these disruption/enforcement activities that the Scams Team has been involved in include ongoing joint investigations with the police which result also in seized cheques so that the money was not cashed and remained with the victims (for example 100,000 cheques totalling £2.5 million were seized). Furthermore investigations and cooperation with local authorities, partners and police has also resulted in shutting down multiple PO boxes and illegal mail, cheques and money being seized, returned to consumers and mail destroyed. This is important since consumers tend to trust companies less if they are based abroad and if UK-based PO boxes are no longer available to

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<sup>26</sup> Office of Fair Trading (2006).

<sup>27</sup> The data on victims, consumer detriment and savings included in this report takes into account all information collected by the Scams Team up to January 2016.

scammers they are forced to ask victims to send money abroad which can minimise uptake of scams. The Scams Team itself told us that it is not aware of any UK-based PO boxes being used for scam companies which is largely as a result of it helping to shut these down (information from interview, I11).

The Scams Team has also worked with multiple partners to disrupt scams. One main partner is Royal Mail. It shares information with the Scams Team that supports investigation work and introduced a scams hotline. It has also established a free post address to which scam mail can be redirected. Based on evidence provided by the Scams Team, Royal Mail can also review contractual arrangements with companies that use their mailing system to distribute scam mail and cancel their accounts. The Scams Team also devised a training programme to detect scam mail for Royal Mail postal delivery sorting officers, which is delivered by local TSS. This has resulted in 46 Royal Mail training sessions as of April 2105–June 2016 (including Scotland, England and Wales). In England and Wales 1,171 postal workers alone have been trained and a potential 356 addresses receiving scam mail have been identified.<sup>28</sup>

Partnership working and the Scams Team's ongoing investigations have resulted in a wide range of identified potential victims, including victim lists, seized mail and single victims (see data on victims identified below).<sup>29</sup> The Scams Team also increasingly works together with Border Force in order to stop scam mail from abroad from entering the country (which has for example also already resulted in large amounts of mail being detained at Heathrow airport). Another area which is part of the disruption work is the cooperation between the Scams Team and banks. Identified scam companies will be reported to banks which will produce a Suspicious Activity Report to the National Crime Agency in order to freeze the company's bank accounts, which could subsequently result in savings since these assets are no longer available to the scammers. According to the Scams Team, an estimated £5.5 million have been saved via Suspicious Activity Reports in October–December 2015 alone) (information from interview, I11). The Scams Team also works in partnership with the police in order to shut down money service bureaus that process cheques for scam companies.

### 3.3 Evidence of reduction in individual consumer detriment

Figure 5 shows the distribution of detriment among victims who suffered at least some recorded detriment. This is based on 2,891 observations (over 85.1% of the confirmed victims in the Scams Teams database have no information on detriment assigned to them). It shows that about 70% of the confirmed victims with a recorded detriment have lost less than £1,000. However, 23% have lost between £1,000 and £10,000, and another 6% between £10,000 and £100,000. This could indicate that there is a wider group of 'low individual detriment' and a smaller group of 'higher individual detriment' victims. Victims in the second group could include both repeat victims affected over a longer time and individuals affected by investment scams that involve larger sums. Importantly, the distribution highlights why it is important to use median rather than average when reporting losses per victim as the average is skewed upwards due to the small amount of enormous losses.

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<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

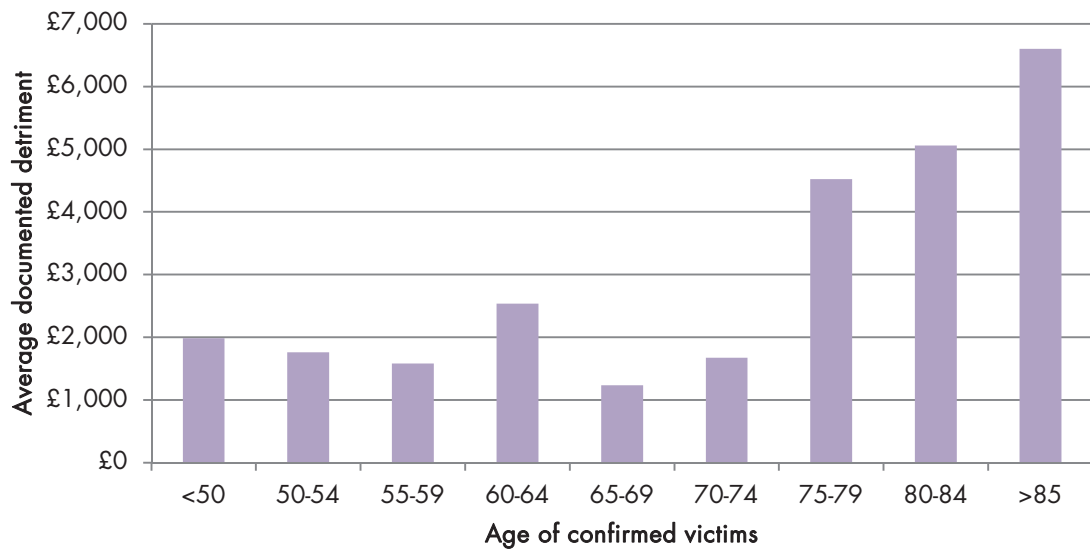
**Figure 5: Distribution of individual detriment**



Source: Scams Team database, 2016

Recorded data on confirmed victims suggests that there is a link between age and levels of detriment. Figure 6 shows the distribution of detriment by age among people with a documented individual detriment (based on 2,891 observations). On average, older people have a higher recorded individual detriment compared to other age groups (with people aged 75–79 losing on average around £4,500 and those over 85 years losing the highest amount of money to scams). This could be either due to elderly people being targeted more by scammers and over a longer period, or being more susceptible to scams. Further analysis for particular age groups could be undertaken, for example, as to whether people lose bigger sums to scams by engaging a few times or whether people lose on average smaller sums over a longer time (which could be the case for people 85+ who might have been scammed for a longer period of time and therefore their accumulated individual detriment is just higher).

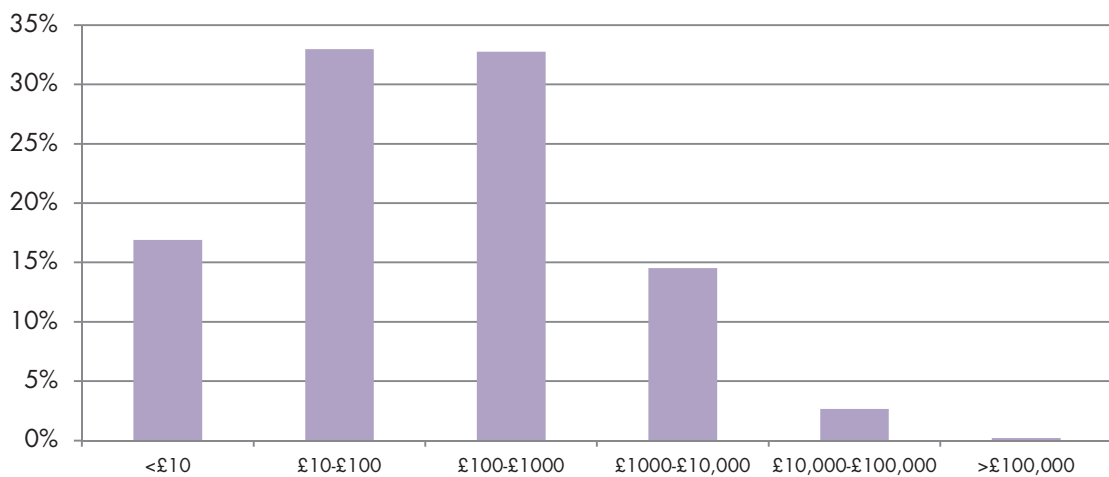
**Figure 6: Average detriment by age**



Source: Scams Team database, 2016

Figure 7 shows the distribution of recorded savings per individual based on 1,426 observations (92.7% confirmed victims have no savings recorded). While there is only about half the amount of recorded savings compared to recorded detriment per individual, we can still see a similar distribution (although with some smaller variations). For 83% of the confirmed victims, savings of about £1,000 and below were secured through intervention by local TSS. It should be taken into account here that secured savings are based on an estimate by the person doing the intervention.

**Figure 7: Distribution of estimated individual savings**

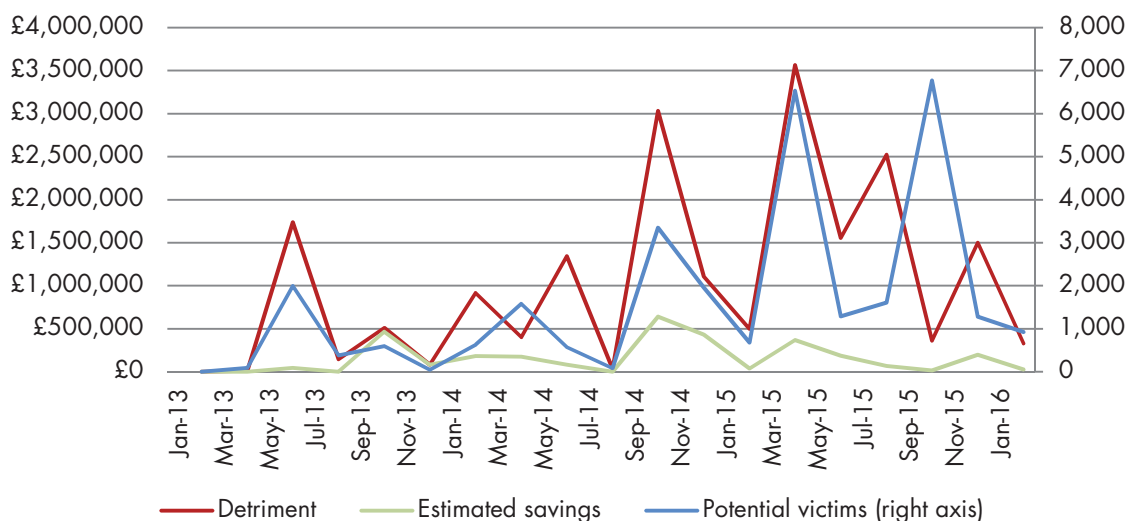


Source: Scams Team database, 2016

Finally, Figures 8 and 9 show trends in the three major performance indicators – consumer detriment, estimated savings, and potential victims – across time. Due to lack of data, the estimated savings only refer to those documented by the TSS officers based on observations of the victims, and do not reflect the total savings consisting of estimated savings, returned savings, and other savings made through interventions.

The provided running totals suggest that estimated savings (£3,019,852 as of January 2016) constitute only about 19% of the total savings (£15,811,778) so the plotted savings underrepresent the actual conservative total estimates. As expected, there is a high level of persistent correlation between the number of assisted potential victims and the estimated savings/detriment; in other words, the more victims were assisted in a given time period, the more savings and detriment were estimated.

**Figure 8: Victims, detriment and estimated savings 2013-16**



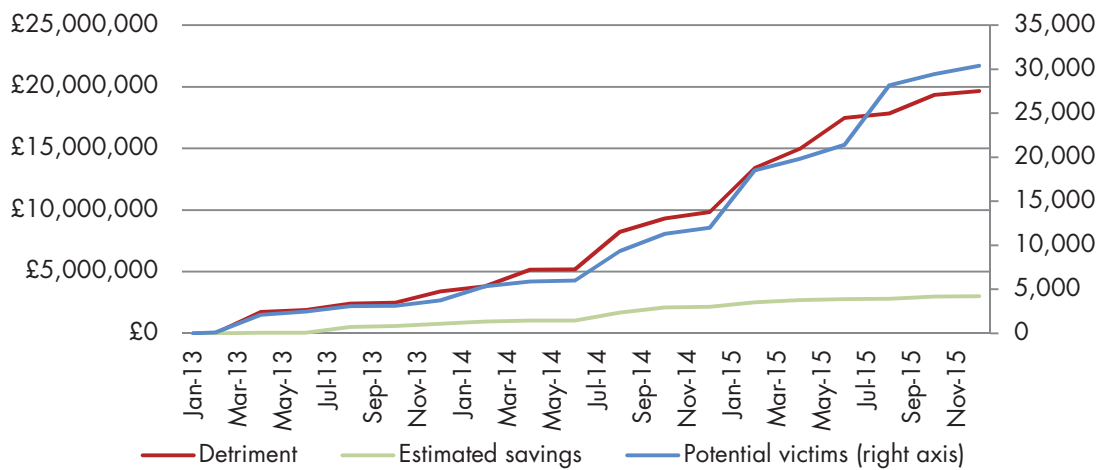
Source: Scams Team database, 2016

The cumulative statistics (Figure 9) highlight the overall increase in detriment and savings tackled per month, as well as in the number of potential victims assisted. This is a joint effect of several factors, particularly the growing range of sources from which the Scams Team identifies new potential victims and the agreement of new Service Level Agreements with local authorities.

Lastly, taking the running totals of the Scams Team budget across the three years of £101,748 (2013/14) + £205,580 (2014/15) + £277,568 (2015/16) = £584,896 and the total documented savings of £15,811,778, we get an overall estimate of the ‘value for money’ provided by the Scams Team of **£27 saved** per £1 invested. In fact, even if we only assume the returned savings (i.e. the only type of savings that the Scams Team is able to identify with a high degree of precision), we get **£12 saved** per £1 invested over the three years.<sup>30</sup> We discuss the value for money of the Team’s work in more detail in Chapter 6.

<sup>30</sup> A valid point raised by some of the survey respondents was that the intervention costs need to take into account the expenses occurring at the local authority level, particularly in the form of salaries going to TSS officers that visit the potential victims. Visiting a single individual in this way is seen as particularly resource-intensive. However, we could also argue that the returned savings are an outcome of broader cooperative interventions, e.g. with the Royal Mail, and should therefore not include the costs on the local authority level without assessing other costs of partners.

**Figure 9: Cumulative victims, detriment and savings over time**



Source: Scams Team database, 2016

### 3.4 Evidence of impact – the views of local authorities

Given the approach that the Scams Team takes of working with local authorities, we asked 200 TSS what outcomes they considered had arisen from the use of intelligence provided by the Scams Team. Table 3 summarises their responses, which suggest that the Scams Team is considered effective in helping local authorities to identify victims, and to a lesser extent, provide support for victims (its main roles). It is considered to have less impact in terms of disrupting scams and in creating mechanisms to prevent scams developing.

**Table 3: Scams Team outcomes**

	Often (%)	Sometimes (%)	Rarely (%)	Never (%)
Helped identify victims	73	22	3	1
Provided support for victims	55	34	6	4
Disrupted scams	12	42	33	13
Created mechanisms to prevent scams from developing	12	36	34	18

Source: RAND Europe survey

In addition, other evidence from local Trading Standards officers suggested that the Team’s approach had a number of benefits. In the first place, its work had **identified a large number of victims that local TSS were not previously aware of**. The approach also allowed TSS to **intervene earlier**, and ensured that **far more could be done for victims** than was the case in the past. In our survey of local TSS we asked respondents to add any comments about the impact of Scams Team input to their work. A total of 16 responded. Table 4 below provides an analysis of observations based around a number of common themes drawn from the open-box responses to our survey.

Local TSS were also positive about the guidance and material provided by the Scams Team. When we asked what contributions the Team made to their work, 73% of respondents ticked the box ‘Produces

useful guidance and checklists on handling scams’ and 66% the box ‘Issues helpful and informative newsletters’. When we asked specifically about the value of the Scams Toolkit, 37% stated that it was ‘very effective’ and 57% that it was ‘quite effective’. The figures for newsletters were 29% and 64%.

**Table 4: Impact of Scams Team activity – local authority observations**

<b>Theme</b>	<b>Observations</b>
Scale of the issue and context	Opened eyes to the scale of the problem
	Raised profile of the problem with various services, agencies and departments, locally, regionally and on national level
Data and information	Provides intelligence that local TSS never had before, providing insights about the most vulnerable in communities which does not come from any other source
	Having a central source that links up individual elements of the bigger picture nationally increases local impact of TSS; no individual TS can identify alone scope and reach of scams
	Receiving data has prompted LAs to review their own approach to data collection
Access to individuals and communities	Allowed to expand offer of local TSS to the community
	Identified people at risk who were not known before to local TSS and services (e.g. social care teams)
	Scams have been impacting people’s lives for years but since the Scams Team started to work there is a wider positive impact on victims for the first time
	Helped to identify victims with multiple vulnerabilities (affecting their susceptibility to scams) and referred these to other agencies for support
Local awareness and collaboration	Support by Scams Team helped to raise issue with partners (adult social care, police) developing a multi-agency approach locally
	Raised awareness of the issue with other departments and external agencies
	Work on scams helped to improve wider relationships with other internal and external stakeholders which improved the overall work of TSS also in other areas (spill-over effect)
Support and information	Toolkit, Knowledge Hub and other outputs put local TSS in a position to effectively help people and share best practice
	Scams Team is important resource that underfunded/understaffed local TSS can draw on; many local TSS do not have resources to develop ideas to tackle the issue while the Scams Team provides solutions
	Support from Scams Team helped to overcome initial reservations about whether local TSS could deal with the issue
Benefits for victims	Returned cash, supported safeguarding measures and interventions that prevent victims to engage with scams in the future



## 3.5 How has the Scams Team tried to improve the lives of victims?

The Team has compiled a database of close to 600,000 potential scam victims.<sup>31</sup> This list continues to grow and, as explained in Chapter 1, the Team **works with local TSS and supports them in intervening and safeguarding these individuals from scam victimisation**. The Team prioritises victims according to the following ratings system:

1. Confirmed victims who have sent scammers cash or cheques, of which the Team is in possession.
2. Confirmed victims, for whom the Team has not recovered any monies.
3. Suspected scam victims.
4. Individuals on ‘suckers lists’; that is, individuals whose details are known to scammers, but not confirmed as victims.

Local authorities receive the details of priority victims first, but can also come to certain arrangements about the number of victim referrals that they receive each month.

The Team’s work to improve the lives of victims can also be seen in two case studies: the **Mail Marshals project**, and the **Call Blocker project**. The Team’s work with local authorities is further outlined in Chapter 4.4 of this Report.

### 3.5.1 Mail Marshal project

The Scams Team’s Mail Marshal project aims to directly engage scam victims in the fight to disrupt and prevent scams. Through local authorities or other partners, victims are identified and asked if they would like to be a Mail Marshal. In this role, a person collects, records and returns their scam mail to either the Scams Team, or their local authority, who will then pass it on to the Team. Mail Marshals also sign a confidentiality agreement, which reinforces the idea that they are taking on an official role. While this project serves an intelligence-gathering purpose, it also seeks to educate and empower scam victims by encouraging them to take on a positive and constructive role in protecting themselves and others from scams.

This project is based on a similar concept initiated by London’s Metropolitan Police four years ago, as part of Operation Sterling. It was rolled out nationally in June 2015. According to recent figures, more than 72 people have signed up as Mail Marshals. Thus far, 13 TSS have agreed to work in partnership with the Scams Team to recruit and support the Marshals. The Scams Team uses facilitators to gather anecdotal evidence of the impact of the scheme. Facilitators are also asked to check in with Mail Marshals at the one and four month marks, to complete a feedback form. The Scams Team has so far collected data from 25 Mail Marshals at the one month mark. According to research<sup>32</sup> 56% of these respondents reported they had now stopped responding to scam mail, and 76% stated that they had saved money as a result of their participation in the project. 84% said that they felt happier.

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<sup>31</sup> See above footnote 28.

<sup>32</sup> Internal Scams Team document.

### 3.5.2 Call Blocker project

In 2014, the Scams Team implemented a pilot project aimed at tackling nuisance and scam calls to vulnerable people by installing call blocker units in the homes of 100 identified scam victims. For this project, the Scams Team sought the cooperation of over 40 TSS across England, Wales and Northern Ireland in deploying and monitoring the use of the technology. To minimise the administrative burden, participating local authorities were only responsible for between one and three consumers each. The rationale behind this project was two-fold. Firstly, to provide respite and protection for participants against attempts to scam them. Secondly, to monitor the effectiveness of call blockers and gather intelligence on the types of scams being attempted, the profile of the individuals being targeted and from where the scam calls are originating.

The majority of the call blocker units were installed in February–March 2015. For the first two weeks, no call filter was applied. Instead, intelligence was gathered on call volume and origin, and both inbound and outbound caller activity. Following this period, the Scams Team and the relevant local authority come to an agreement on the appropriate filter setting to be put in place for each individual, which would then be applied and monitored. Once this period is finished, the filter is switched off, and call activity continues to be monitored for another two weeks. The quantitative data emerging from the call blocker units can be accessed by both the Scams Team and the participating local authority, in accordance with Data Protection legislation. The project also has a qualitative data component. Prior to the installation of the device and afterwards, the Scams Team send a questionnaire to the participating individual or their family or caretaker. Both set of responses can be used for comparative analysis by the Scams Team.

Prior to this trial, 120 local authorities, police forces and charities have implemented similar projects using call blocking devices, with high levels of success. The costs of this project include the purchase of 100 trueCall or trueCall Care units, which were then loaned to local authorities. The user also accrues a cost of 12p every time data is uploaded to the trueCall's website, and the user must also set up caller ID prior to the installation of the technology. This service is usually free but in some cases may cost users up to £2 a month. According to the most recent internal research, these devices have blocked around 25,500 or 96% of scam or nuisance calls. The highest number of scam or nuisance calls received in a single day by a participant was 23. Based on early feedback from participants, 94% of respondents to the second questionnaire reported that they felt safer in their own home as a result of the intervention. These respondents also estimated financial savings averaging £527 as a result of installing call blocker devices. The project is due to be completed at the end of the financial year 2015-16, and a final report will include feedback and statistics for all 100 participants. The Scams Team continues to discuss funding for dealing with nuisance calls with the Department of Culture, Media and Sport.<sup>33</sup>

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<sup>33</sup> Internal Scams Team document.

## 3.6 Adding value

We also considered whether the Scams Team ‘adds value’ in other ways: firstly, by considering whether the existence of a **national response** to the problem of mass marketing fraud is a more effective one than for local teams to tackle it independently; and secondly, by **examining a number of ways in which the work of the Team appears to take advantage of its remit** and has taken the work in a number of different directions.

### 3.6.1 Adding value through a national remit

The Scams Team was one of a number of teams set up by NTS as a national response to a problem which past experience in trading standards suggested could not be dealt with effectively at local level. As mentioned in Chapter 1, one senior NTS officer we interviewed commented that over his career, local TSS had previously ‘dabbled’ with the problem, but had felt they did not have the expertise to deal with it properly [I12].

It is clear from our survey that the existence of the Scams Team has increased the amount of attention given to MMF. We asked TSS, prior to working with the Team, what action they had taken. Three-quarters stated that they had tackled MMF on an ad hoc basis, and only 5% had had their own scheme. The same proportion of respondents stated that without the Team, tackling MMF would have a lower priority in their authority.

Based on this information we conclude that, taking a national approach appears to have allowed for the development of a **coordinated response** to a problem that is generated from outside any single local area; has brought **economies of scale** in that it has ended the need for individual local teams to develop their own responses; and it has **concentrated expertise** in one place, making it easier to access and more likely to build a specialised response to a complex problem. It is also clear that the national response has allowed for **new** approaches to tackling a major problem such as through partnerships with national agencies and companies across the country that did not exist before. We consider these are signs of a stronger response than would be generated by individual teams working alone.

### 3.6.2 Generating a better understanding of the problem

As part of its work, the Scams Team is developing a wider understanding of the problem. It is tapping into, and supporting, the emerging research into scams and the criminology, psychology and technology associated with it. As part of this, the Scams Team has established a research partnership with academics at Bournemouth University to create a stronger evidence base on the reasons why people fall victim to scams, and to use these findings to better understand how to prevent scam victimisation. The collaboration also seeks to put a financial figure on the savings to consumers and public services generated by early intervention in scams. To this end, the research:

- Seeks to define a scam victim more precisely.
- Examines the cost to victims as a result of their engagement with scams, including the knock-on effects of the experience.

- Seeks to compare the outcomes for scam victims who have been the recipients of early interventions against those who received later or no intervention, in terms of their capacity to remain independent and continue to live in their own homes.
- Aims to provide a stronger understanding of how mass marketing databases work.
- Is undertaking a review of the Data Protection Act 1998 to consider ways to make it easier to remove people from databases such as mail, telesales and charity approach.

The outputs from this collaboration have so far included the production of safeguarding toolkits, aimed at protecting vulnerable adults from scams, as well as good practice guidelines and advice for professionals who work with victims of scams. The Team Manager also took part in a workshop with Professor Keith Brown (of the University of Bournemouth) at the annual conference of the Chartered Trading Standards Institute in 2015.

### *3.6.3 Raising the profile of the issue*

The Scams Team has taken a **proactive approach to drawing the attention of the problem** to a wide range of interested parties. Several stakeholders praised the way in which the Team and in particular, its manager, sought publicity for the problem. This has included television features, events such as the Scams Awareness Month in July 2015, conferences, and working to support the awareness-raising of other organisations, such as Age UK's report 'Only the tip of the iceberg'.<sup>34</sup> The NTS annual report for 2014–15 indicates that the Scams Team featured in the press on 64 occasions, 28 radio interviews were carried out, and 9 TV interviews. The Team issued five press releases nationally and were featured in a national magazine.

Partners also talked about the way in which the Team had **brought focus to the problem**. For example, a representative from a financial institution commented that local branches would have had ad hoc conversations with local TSS before, but no-one was doing this in a coordinated manner. By setting up the Team, a new focus had made contacts between the organisations far more effective.

Some of the partners would appear to be natural partners, for example, the Chartered Institute of Trading Standards, financial institutions and bodies concerned with information and tackling fraud. In addition, however, the Team has made **links with a wider range of organisations**, and the Team Manager is, for example, speaking at a Chief Fire Officers' Association event (March 2016). This is justified by evidence of the apparent close link between scams and distraction fires (e.g. losing concentration when cooking, or hoarding of scam mail).

### *3.6.4 Encouraging local level liaison*

The Scams Team tries to foster local networks, cooperation and innovation in the approaches used to tackle MMF. One interviewee (I20) mentioned the creation of a multi-agency response to MMF. Realising that an increase in police resources was probably unlikely to happen for the foreseeable future, the local TSS brought together some public funding in the area of public health to set up a new team

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<sup>34</sup> National Trading Standards (2015, 68).

looking at all types of financial abuse of vulnerable adults. The local multi-agency team consists of TSS officers and detectives from various police forces, as well as safeguarding officers.

One main argument for being able to secure funding was that scam victims will have increased social care needs in the long run increasing the burden on services and costs for the local council. The multi-agency team looks at various different types of fraud, such as doorstep crime, scam mail, phone fraud, as well as investment scams. The local team receives information from different sources such as the lists provided by the Scams Team, but also social services and police reports, through victims' forums, and seized scam mail lists. Based on this information and the nature of the crime the victim has been affected by, the multi-agency team will decide on the required response (e.g. a visit by a police officer or local TSS officer, referral to other services, etc.). The multi-agency approach also informs the progress on investigations since having police officers involved made a significant difference to the evidence value of the investigation files, since they can provide additional information not previously accessible to the team. Furthermore, the work of the multi-agency team also informs the training and information provided to all related partner organisations, whereby the overall experience over time was that using case studies have the biggest impact when providing training and information for others.

## 4 Working with partners

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### 4.1 The importance of partnership working for the Scams Team

Given its size and role, a key element of the work of the Scams Team is to coordinate with a range of other organisations in order to meet its objectives. As a result, collaboration and the development and maintenance of strong relationships with a range of public- and private-sector organisations are a crucial element of the Team's work. This chapter considers the effectiveness of partnership working, including internal links with other NTS teams.

### 4.2 How effectively has the Scams Team worked with key partners?

The Scams Team currently works with 40 national partners, including from the banking and financial sectors, mail providers, charities and other not-for-profit organisations, local and national police, and other crime/fraud-fighting organisations. We interviewed a representative of ten of these partners. The full list can be found in Appendix A and the list of topics covered is in Appendix C.

#### 4.2.1 *What role do partnerships play?*

The Scams Team's partnerships fulfil a number of different objectives. These include **securing information on potential victims**, through a referral system which has been established with partners such as Think Jessica, Royal Mail, financial institutions and the Office of the Public Guardian. The Team's partnership with certain financial institutions also extends to **developing victim strategies**, working on **data and good practice sharing processes**, and **securing funding for projects**.

- The Team has a Memorandum of Understanding with Royal Mail. Under the Postal Services Act 2011, Royal Mail is required to deliver mail to addressees even if it is suspected of being fraudulent; this has historically proven to be a substantial hurdle in effectively disrupting scam activity. However, the Team has undertaken the responsibility to establish a legal opinion on whether a sample of mail is fraudulent and then, if necessary, write to Royal Mail requesting action against the scam company. Royal Mail may then issue a warning to the company about the illegal activity, giving them three months to ensure that future mailings are not in breach of the law. If the illegality persists, Royal Mail can close the company's account. This partnership also takes other forms: through a scams hotline and free postal address, Royal Mail collects intelligence on scam activity which, with the consent of the addressee, it then passes on to the Team. Royal Mail also supports the return of mail to scam victims, work that has been informed by the training provided to postal delivery sorting officers on identifying and dealing with scam

mail. The Team is currently liaising with mail consolidators such as **Whistl, Swiss Post and Asendia** to set up a task force to investigate establishing a unified standard across consolidators to identify where their mail is originating.

- The Team's partnerships with **police forces** are also crucial to their investigation and enforcement work. Through ongoing joint investigations with the police, supported by the National Tasking Group, the Team has reported that roughly 100,000 cheques totalling £2.5 million in value have been seized. The Team has also worked with the police to shut down money services bureaux. Where possible, the Team works to return these cheques to scam victims through their local authority. The Team's work with **international enforcement agencies** is also growing, as discussed in Chapter 4.3 of the Report.
- The Team has also sought to develop relationships with partners who are in a position to be the **'eyes and ears' in the community**, particularly those who are in the homes of vulnerable people at risk of falling victim to MMF. An example of such a partnership is their work with Home Instead, which provides carers for those who struggle to live independently. The Team is rolling out an e-learning programme for care workers to educate them about the problem of scams and advise them on how to report their concerns about possible victimisation easily to a single point of contact.

#### *4.2.2 What do partners think of the working relationship with the Scams Team?*

All partner interviewees were positive about both the work of and the quality of their relationship with the Scams Team, with one interviewee reflecting a commonly held view, praising the 'productive and proactive relationship' and the benefits of their 'mutual agenda.'<sup>(I5)</sup> Interviewees were also unanimous in their view that the Scams Team filled a gap in the consumer protection landscape that had been neglected and was growing in scale.

All interviewees commented on the **need for the work of the Scams Team**. Further, interviewees reflected on the gap in consumer protection that had long existed before the Team was created, and the detriment that only grew in scale as a result. One interviewee commented that Royal Mail would not have been able to take the action that they have in disrupting and preventing scams, without the work of the Team (I2). Prior to the Scam's existence, those working in mail delivery were unaware of the scale of the problem and did not have effective processes in place to respond to it; the Team's leadership in closing the accounts of scam mailers had been 'critical.'

Interviewees also commented on the value the Team has brought to local authorities in their efforts to target MMF. One interviewee reported that previously, local TSS liaised with bank branches about fraudulent activity on an ad hoc basis. The creation of the Scams Team meant these issues were now being dealt with centrally, with additional focus (I5). Another interviewee, seconding this view that scams awareness had previously been 'localised and disjointed', praised the Team's intelligence-gathering, figures and case studies as 'incredibly useful.'<sup>(I7)</sup> Another interviewee commented on the value that the Team brought to police services, which often lack the resources to deal with MMF, especially for cases that originate outside the United Kingdom (I1). This interviewee stated that the Scams Team complemented the work of the police, particularly in relation to supporting and safeguarding scam victims, and provided a cohesive, national response that would otherwise be entirely lacking.

Overall, partner interviewees were **positive about the quality of their working relationships** with members of the Scams Team, with one interviewee stating that ‘as a team, there are no weaknesses.’ (I9) In particular, interviewees commented on the Team’s focus and commitment (I7, 8) and their responsiveness to partner requests (I2). One described the Team as ‘always helpful’, and very knowledgeable in their own field of expertise (I7). This was seconded by another interviewee, who pointed to the recruitment of former law enforcement officers as a factor in the credibility the Team enjoyed in the eyes of their partners (I2).

Interviewees also praised the Team’s **outreach and liaison work**. One interviewee mentioned the work of the Team in raising awareness among Members of Parliament and at party conferences. This interviewee stated that these outreach activities have had real impact in putting MMF on the political agenda (I3). This view was seconded by another interviewee, who stated that the Team has helped influence policy and decisionmaking, particularly in regard to strategies to disrupt scam mail (I2). One interviewee pointed to recent debates on scams in the House of Lords as evidence that the issue was gaining more traction among Members of Parliament (I9).

In discussions, partners identified a number of **limitations on working together**. In particular, all interviewees expressed the view that the limited resources available to the Scams Team constituted a major constraint on their work, with one interviewee describing them as a ‘small team tackling a huge problem.’(I8) In the view of the interviewees, there were two major ramifications of these resource limitations. Firstly, two interviewees (I3 and I6) stated that it restricted the amount of intervention and enforcement work the Team was able to undertake, with the focus remaining on disruption and victim support. While this work was considered important by these interviewees, it led them to believe that the Team’s approach to MMF was ‘more reactive than proactive.’(I6) In addition, these interviewees held the view that the Team lacks the resources to engage with European counterparts to the extent necessary to address the international dimension of MMF organisations. The interviewees stated that the Team needs to extend their influence abroad and, in particular, maximise cooperation with partners in the European Union, and with greater resources would be in a stronger position to achieve it.

Considerations of the Scams Team’s limited resources informed much of the feedback from partners on the **future of the Team’s work**. One interviewee expressed the view that the Scams Team needed further investment in order to meet its strategic objectives, giving the example of a national campaign on scams awareness, which the interviewee deemed necessary. To manage this campaign effectively, the interviewee stated that the Team would need expert advice on communications and marketing, as well as budget support, which is currently lacking (I3). Two other interviewees expressed the hope that funding for scams prevention and disruption would be increased as the government gained a deeper understanding of the scale of the issue and the measures needed to target it effectively (I1 and I6). Along the same lines, another interviewee stated that the Team needed greater support from decisionmakers in advocating police changes, such as allowing the Team to share data on scams victims with financial institutions, in order to establish stronger protection mechanisms for individuals at a higher risk of falling victim to fraud (I5).



### 4.3 Expanding the range of partnerships

The Scams Team continues to form new partnerships. Evidence has shown a link between scams such as **nuisance calls and so-called ‘distraction fires’**: situations in which an individual becomes distracted while cooking and a fire is spread. Where the scam victim is also hoarding in their home, as is often the case for more vulnerable scam victims, the risk of serious fire damage may increase. The Team has therefore liaised with the Chief Fire Officers’ Association, producing a paper entitled ‘Prevention and detection of Mass Marketing Fraud in the Fire Service.’ The Team is also working on a number of pilot projects with partners. The Team has developed a pilot for a **telephone befriending service** with Age UK, called ‘Call In Time’, measuring the impact of such a service on the lives of vulnerable people.

The Team is also working to take existing partnerships in new directions and has shown interest in adapting ideas from others. The team is working with partners to launch a programme, called **‘Friends against Scams’** (an idea adapted from the ‘Dementia Friends’ initiative). This scheme includes an evaluative component by recruiting 100 residents of Eastbourne to gauge their awareness of the issue at the commencement of the project, and again following the project’s roll-out. Preliminary feedback suggests that the content of the programme has been too narrow in focus and ought to extend the types of MMF included. This is going to be rolled out nationally.

The Team also aims to expand and strengthen its **international partnerships**. Recent progress in this area includes the Team’s work with the International Mass Marketing Fraud Group to facilitate data sharing and joint investigations. The Scams Team is leading for Mass Mailing scams internationally. Additionally the Team has strengthened ties with Dutch anti-fraud authorities in closing the mail boxes of scam companies and assisting with enquiries into companies suspected of engaging in MMF. The Team is also engaged in liaison work with the United States Federal Trade Commission, recently meeting with representatives of the Commission during their visit to the UK.

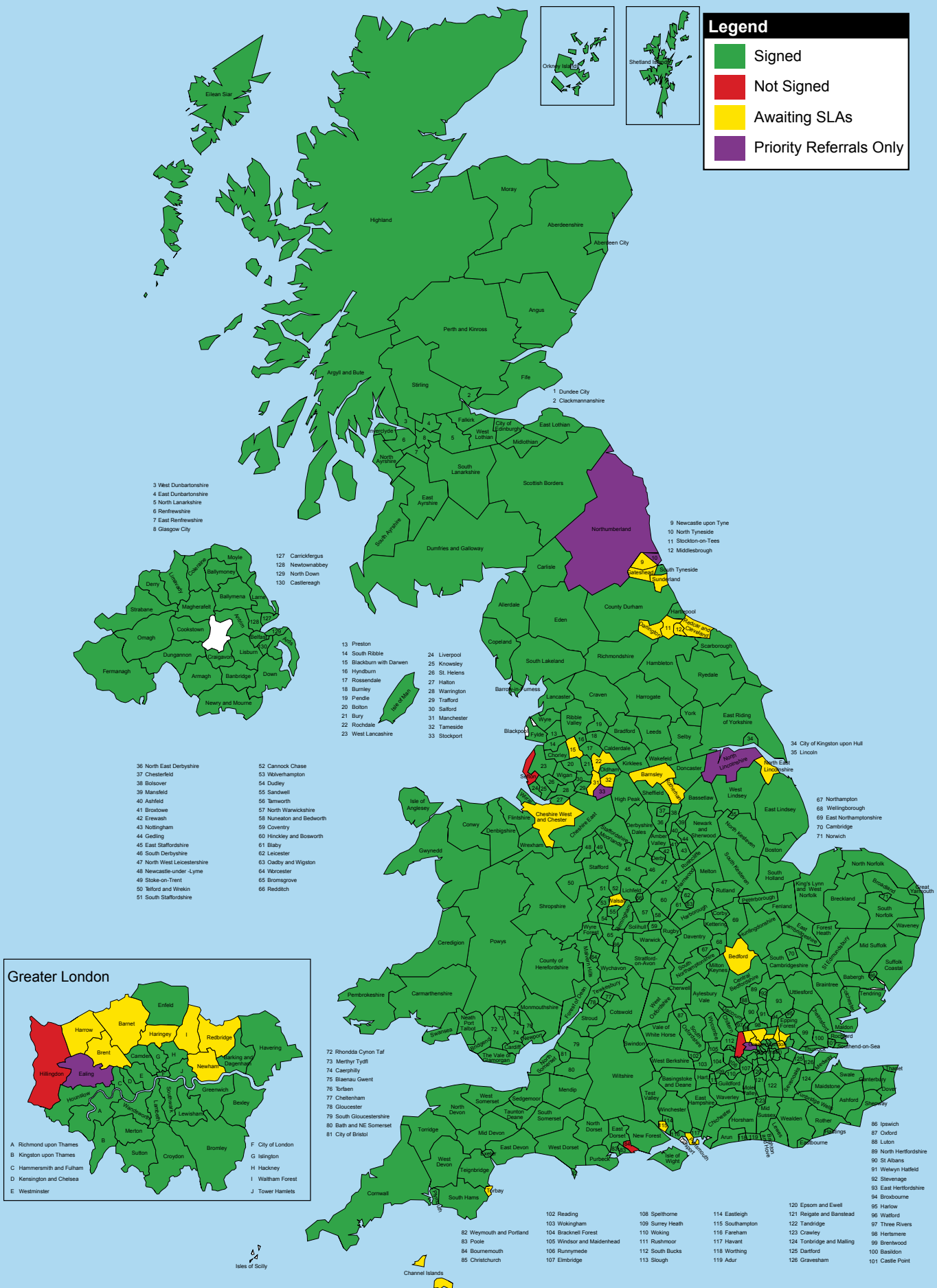
### 4.4 Working with local authorities

As explained in Chapter 1, the Scams Team’s approach involves establishing relationships with local authority Trading Standards Services (TSS) and establishing Service Level Agreements (SLA) with them. To gauge the views of local authorities on the work of the Scams Team, as well as the effectiveness of partnership working, we issued a short online survey to the heads of each of the 200 Trading Standards authorities. The majority of respondents had around one year’s experience of working with the Team, but 45% had first had contact in either 2012 or 2013.

#### 4.4.1 Establishing Service Level Agreements

As of February 2016, the Scams Team has successfully negotiated 169 SLAs, against their target of all 200 TSS. This means that a total of 31 local authorities have not yet agreed an SLA. Of these, only three local authorities have specifically declined to have an SLA, with the remainder either considering it or stating that it did not have the capacity to do so at present, or did not consider it a sufficiently high priority. There is no obvious pattern for where in the country there are lower levels of take-up.

# Signed Up Authorities



Source: NTS Scams Team; please note that Blackpool, Gosport and Guernsey are also signed up; Jersey is awaiting an SLA. All information included as of February 2016.

custom postcode maps by [www.gbmaps.com](http://www.gbmaps.com)

In our survey we asked all respondents to indicate if they have an SLA in place and if not, to provide reasons. Twelve local TSS that reported they do not have an SLA gave a reason why. Two said they were in the process of setting one up; one said they were not aware of an SLA; four stated that they have not been asked or that the opportunity had not arisen (out of these, two said they were based in Scotland). Four respondents said that they do not have the required resources and staff to support the work of the Scams Team. One respondent said that the local authority had concerns about the way the SLA was worded but that they have still agreed to work with the Scams Team. Overall, a lack of local resources seems to be one of the main reasons why local authorities were not able to engage with the Scams Team.

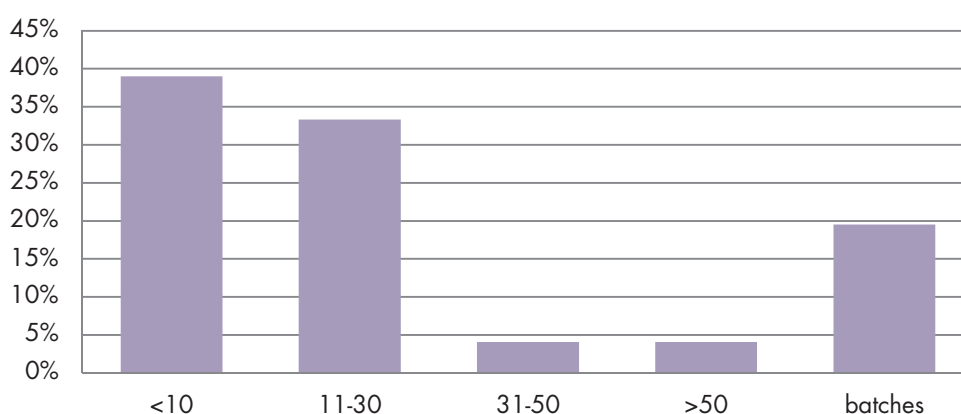
We followed up and interviewed one local authority (I21) that did not have an SLA in place in order to explore some of the reasons as to which authorities were not able to enter an SLA. The reasons mentioned were the availability of local resources and whether elected politicians see tackling MMF locally is a priority area. Furthermore, the interviewee mentioned that the Scams Team seemed to be offering local TSS only one approach to engaging with victims (making visits to victims and reporting back to the Scams Team in fixed time periods) which can be seen as overwhelming and require too much commitment, especially when local TSS teams are already very small. It was also mentioned that once an SLA has not been signed, it was difficult for local TSS to reengage in the future. Allowing some of the local authorities to pick and choose the way they engage with the Scams Team might also help them to make smaller commitments and find funding internally if the initial cooperation is very successful. Another option could be joined-up work between different local authorities.

Our analysis of the SLAs in place across the country illustrates the wide range of agreements in terms of the number of cases that each TSS is prepared to take on. Figure 10 shows how many cases local TSS promised to take on per month on average.<sup>35</sup> The majority (over 70%) of local TSS take on up to 30 referrals per month, but with the biggest group (almost 40%) taking on 10 or fewer referrals per month. Only a small group (about 8%) of local TSS take on more than 30 referrals per month. Some local TSS take on referrals in batches, but even if one assumes that these batches would equate to more than 30 cases per month, the share of local TSS taking on 30 cases and more is below 30%.

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<sup>35</sup> While there are 169 Service Level Agreements in place, Figure 10 is based on 131 observations, since for some local TSS the information on how many referrals they will take on was still pending.

**Figure 10: Referrals taken per month per SLA (percentage of TSS)**



Source: Scams Team database, 2016

#### 4.4.2 What did TSS think of the working relationship with the Scams Team?

Our survey of TSS asked how they rated the quality of partnership working with the Scams Team under the SLA; we have obtained 90 responses in total (45% response rate). Some 72% of respondents stated that it had been ‘Good’ and 24% ‘Fair’. Just 4% said it had been ‘Poor’. When presented with a series of factors that might have influenced their view, the most popular response (75%) was the ‘quality of information provided’, followed by ‘communication/feedback’ (68%). We gave respondents the opportunity to make additional comments about the relationship. Table 5 below summarises some of the main themes.

**Table 5: Local authority observations**

Data and information	Information provided is very geared towards solutions and the reality local TSS are working in
	Sharing of information, data and good practice is extremely helpful for local TSS supporting their local work
Contact with Scams Team	Very approachable and helpful, providing support for local TS; close relationships developed between Scams Team and local TSS
	Individuals working at the Scams Team are perceived as highly motivated
	Scams Team coming out to talk to local TSS is highly valued
	Ongoing support helped to integrate work on scams into day-to-day work routine
Support for local networks	Close work with Scams Team helped to develop local networks of agencies, partners and volunteers which can be also used for safeguarding and victim identification

Source: RAND Europe survey 2016

### 4.4.3 Areas for improvement

We asked local authorities whether there were aspects of the ways of working with the Scams Team that could be improved. The main points mentioned were:

- Local TSS would welcome further attempts to improve the **quality of the information** that is provided to them through data cleansing. At times, depending on the sources, data can be old and out of date (for example, individuals may have died, information around scams, e.g. dates on prize draws, is out of date). This means that some visits can be wasted. Local TSS would appreciate more prioritisation of the cases forwarded to them.
- With regard to the **data collection in the field** some TSS made reference to improving the questionnaire, which was seen as cumbersome and/or not depicting the intervention done on the ground. There was also a suggestion to make the data collection better automated, e.g. by using a database and linked software. (We understand this is in hand).
- There were a number of comments regarding **the way data and information is shared and contextualised**. In particular:
  - Some TSS felt that there should be more transparency as to where information comes from, so they could give victims approached by TSS more background about the data.
  - More instant warnings and copies of new forms of scam mail should be provided to local TSS so that they can show these examples to potential victims and warn them.
  - More guidance should be provided on how to determine savings made by interventions and how to work with repeat victims.
- There were a number of requests about support for **local enforcement and disruption** work, including:
  - Sharing more ideas and toolkits around safeguarding and prevention (e.g. substitution measures, options for victims to occupy time instead of engaging with scams, cascade networks, local contacts to national organisations that help vulnerable people).
  - Carrying out more investigations into other types of scams like phone and internet and/or linking up with work done in this area by other agencies, and provide information on this to local TSS.
- Local TSS would welcome more information from the Scams Team on what happens following their **feedback under the SLA**. Local Trading Standards were unsure what came of their investment in following up cases. Other references were made to knowing more about which organisations had had their Royal Mail licence removed, what work was being undertaken nationally and internationally to disrupt scammers.
- Additional **feedback on the details of scams** and how they work was mentioned by some TSS as an area for development. This included, for example, a higher media profile to communicate information about types of scams to potential victims more broadly, as well as highlighting more press and social media outputs by the Scams Team which could be used in local press and on Facebook/Twitter by local TSS to warn potential victims about ongoing scams. Several respondents suggested that **regional meetings** of those involved in scams work would be welcomed, especially by those working alone with victims.

- A number of TSS hoped that the Scams Team (and other relevant agencies) would work more on preventing scams happening in the first place (**proactive vs. reactive approach**), i.e. focussing more on enforcement and tackling offenders beyond victim identification and safeguarding potential victims. It was also acknowledged that this would probably require more legislative change, international collaboration, and ownership of the issue by other departments and agencies (e.g. National Crime Agency) and partners which can help block any type of scam at source ('stopping the tide as [the work by local TS] feels more like dealing with the aftermath of an individual's financial abuse').
- Some TSS also highlighted the need for **wider (regional, national and international) collaboration**, for example, joint work with the Competition and Markets Authority and the European Consumer Centre, information sharing with the police and agencies active in related areas (National Crime Agency, Action Fraud, National Fraud Intelligence Bureau).

#### 4.4.4 Capacity of local authorities to work with the Scams Team

The survey responses show considerable willingness on the part of local TSS to collaborate with the Scams Team, and as seen in Chapter 3, there is a strong belief in the Team's effectiveness and the value of its role. However, it is clear that there are significant constraints on the ability of local TSS to collaborate with the Team. Around 44% of TSS advised us that they had experienced occasions when they had had to limit the number of cases they could take from the Scams Team under their SLA, although 43% said they had not done this. The overwhelming reason (91% of respondents) was limited resources and time.

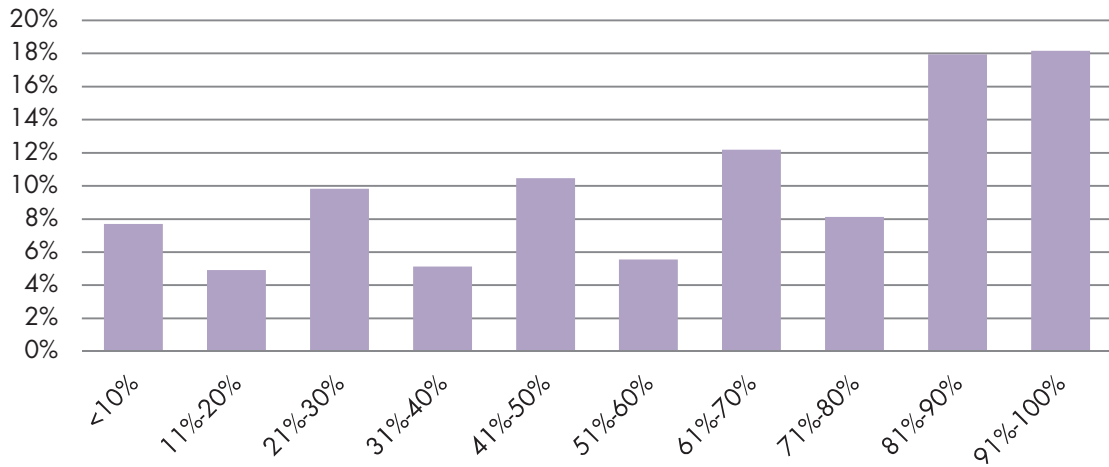
In their additional responses, a number of local TSS elaborated on the point about limited resources. In particular, it was reported variously that they considered that:

- They did not have enough staff to do this type of work.
- The time involved and the 'internal bureaucracy' involved in agreeing a Service Level Agreement was seen as an obstacle.
- They were wary of getting involved in the work because of the potential scale.
- The work was not considered part of their remit.

In a few cases, respondents commented that they did not feel the Scams Team appreciated the pressures that local teams were under.

Data collected by the Scams Team on total referrals and those outstanding for local TSS provides some insights on the capacity of local TSS to work with the Scams Team. Figure 11 shows the percentage of outstanding referrals (compared to all referrals that each local TSS has against its name). It suggests that 61% of the local TSS still have over 50% of referrals in their area to process (36% more than 80% of referrals), although not all these cases will necessarily merit being pursued.

**Figure 11: Outstanding referrals by local TSS**

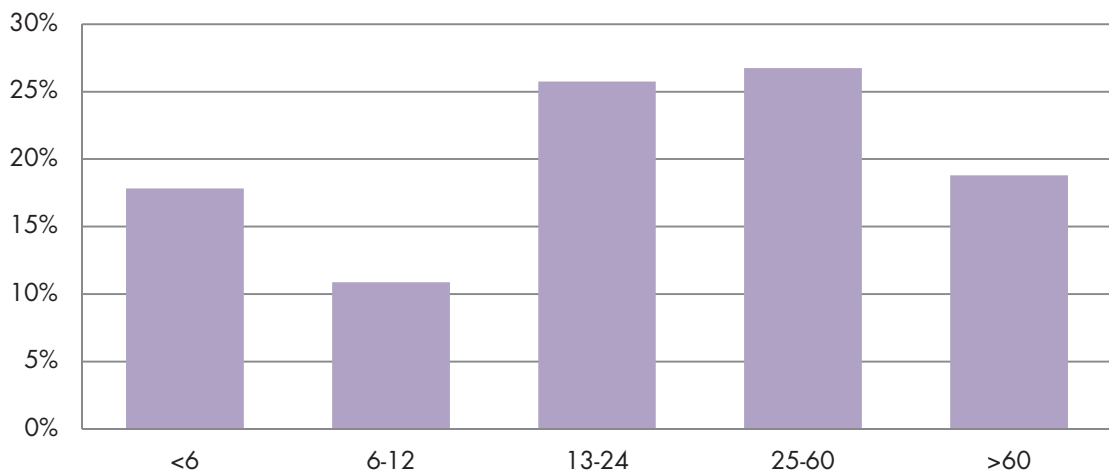


Note: Horizontal axis shows share of outstanding referrals, vertical axis shows share of local authorities in the given category.

Source: Scams Team database, 2016

Figure 12 shows how many months each local TSS would take to deal with all its outstanding referrals (as of January 2016) clustered around five timeframes. It shows that the vast majority of local TSS (71%) would need more than a year to process all their outstanding referrals based on the number they have promised to take per month under their SLA (assuming no further referrals are added). This, combined with the information on outstanding referrals, indicates some significant capacity limitations on the part of local TSS should it be desirable to process them all.

**Figure 12: Estimated amount of months to process all outstanding referrals**



Source: Scams Team database, 2016

## 4.5 Working with other NTS teams

As discussed in Chapter 1, the Scams Team is one of a number of NTS teams. The NTS Annual Report 2014–15<sup>36</sup> commented that the Team had been collaborating with other teams during the year. In particular, it has worked with the Ports Team to share information on where scam mail may be entering the country. The Team also worked with NTS Intelligence and e-Crime Teams, highlighting scams that involve doorstep crime, many of whose victims are the same. The report also indicates that the Scams Team has also been involved in subscription trap work.

### 4.5.1 Views of other NTS teams

We spoke to three representatives of other NTS teams in order to gain their views on the Scams Team (see Table 7 in Appendix A for a list of interviewees). The main messages from these interviews are set out below.

- **They had considerable respect for the work of the Scams Team:** although interviewees did not see much day-to-day interaction between the Team and TSS, they commented that from the outside it seemed very effective. One described the Team as ‘the jewel in the NTS crown’, and argued that the Team’s success had managed to secure publicity which had raised the profile of the NTS more generally. Feedback from local TSS that they had heard was generally very positive.
- **They had learned from the Scams Team and its approach:** one interviewee said that his team had learned a number of positive lessons from the Scams Team approach to collaborating with local TSS and this had helped their disruption work, in particular, through increasing dialogue with regional and local authorities. In the past they had worked in isolation, whereas now they have far better connections. We were also told that the Team’s approach to vulnerable customers had helped to improve Trading Standards’ approach more generally, for example, to doorstep crime.
- **There was recognition that there are differences, but also similarities, between the various NTS teams and the people they focus on:** for example, the targets of e-crime tend to be younger than those targeted by MMF, although there is some overlap. The e-Crime Team shares some similarities with the Scams Team, but was seen as undertaking investigations and prosecutions of larger cases itself more than the Scams Team.
- **The Team was vulnerable to resource constraints in local TSS:** one interviewee argued that the Team could be a victim of its own success because the work it did was very resource-intensive. As a result, there were sometimes mixed feelings about the work; in his local TSS he suggested there was a 50–50 split between those passionate about the work and those who did not think it was a part of local Trading Standards work.

There was agreement that the various teams could valuably **improve their collaboration** with each other, including the Scams Team, but had been limited by resources and competing demands. It was suggested

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<sup>36</sup> National Trading Standards (2015, 69)



that there was scope for more large investigations and enforcement work, to go alongside safeguarding and prevention, and to do this, greater collaborative working would be valuable among several of the teams. Also linked to this, an interviewee questioned whether the teams, including the Scams Team, needed to be as independent of each other as they are, and whether there is more that could be done to utilise the links and ensure that, for example, experienced investigators from other teams are able to assist the Scams Team. He also commented that since the Scams Team has information on perpetrators as well as victims, there are arguments in favour of closer links and collaboration between the teams. The interviewee emphasised that these were not criticisms of the Scams Team, but observations about the way in which NTS is set up, which were particularly important at a time of resource constraints.

#### *4.5.2 Providing information*

Another aspect of the Scams Team information role is its **relationship with the NTS Intelligence Team**. This team provides an overview of the current and long-term issues and problems affecting, or likely to affect, the consumer and business protection landscape in England and Wales. The Scams Team, as one of the NTS teams, feeds information back to the Intelligence Team on a monthly basis. It does this by coordinating and packaging information so that the Intelligence Team is aware of what local authorities are reporting and consumers are complaining about. The Scams Team has strengthened its links with the Intelligence Team recently by having a member of staff dedicated to the work. The benefits derived from the routine intelligence-sharing include helping to ensure better-informed decisionmaking about the use of resources and targeting of interventions.

## 5 Measuring consumer detriment and savings

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### 5.1 The purpose of measurement

All bodies making use of public funds are expected to monitor their use in order to demonstrate that they are being used effectively. Reasons for this include that only by tracking how resources are deployed and what has been achieved can bodies demonstrate that they are delivering value for money. Bodies are expected to assess the impact of different approaches in order to understand what works. This provides the basis for deciding whether to stop or continue particular activities. There is also the expectation of being accountable and reporting on the use of public money.

### 5.2 What is the Scams Team trying to measure?

The Scams Team aims to measure the amount of **consumer detriment** suffered by victims, i.e. the amount of money that consumers lost to MMF in the past, as well as **realised/potential savings**, i.e. the money that would otherwise (without intervention) be lost in the future. Gathering the information needed is done through cooperation with local TSS, whose staff visit potential victims in their homes and, besides providing help and advice, try to find out and/or estimate the total amount of money sent, the potential for detriment to be caused in the future, and various personal characteristics of the consumers using a framework of questions provided by the Scams Team. The results are then reported back to the Scams Team in a standardised format.

Given the nature of data collection, only data on approached consumers – a small proportion of the overall population of potential victims – is reflected in the Scams Team’s reporting, providing good estimates on its work, but significantly understating the actual consumer detriment caused by MMF in the UK as a whole. There are three principal problems with measuring consumer detriment: the inability to identify all MMF, the inability to approach all potential victims, and difficulties with data collection. While the first reflects the nature of fraud and cannot be fully solved, and the second is mainly a problem of limited capacity at the local authority level, obtaining precise and complete data from potential victims approached is an essential step in the measurement that can be improved through a better methodological approach and staff training.

Victims of fraud have disincentives to speak openly and truthfully about the actual detriment caused, leading to imprecise information given to the officers. Error in the data can be in both directions, yet it is often assumed that the victims tend to understate the actual detriment caused. There is also the ethical problem of discussing sensitive issues in depth, or at least to an extent required for appropriate data

collection. In particular, the victims may be willing to admit engagement in MMF but not want to discuss the details or may even consider detailed discussion inappropriate. Thus, data collection must be done in a professional and standardised manner, possibly as an open discussion covering all relevant information included in a questionnaire.

There are also issues with understanding the extent and effects of scams at a high level. In particular, there is limited information available – both geographical and institutional – of the success rates for MMF. Currently, the Team uses information secured from a scam company, which advised that they got an 18% response rate on mail shots. However, notwithstanding that this figure may differ greatly from reality if the company wanted to downplay perceptions of the detriment it caused, rates could plausibly differ across different types of MMF, population sub-groups or even geographically. Hence, while the estimate is a good starting point, more precise data is needed to provide a reliable assessment of effects.

### 5.3 Current measurement and reporting

The Scams Team currently uses the following categories of consumer detriment and savings:

- **Estimated consumer detriment** – The estimated total financial loss as a result of all past scam mail and telephone calls directed at the approached victims. The data coming from local TSS is either in a form of estimated total detriment, in which case no other adjustments are made, or as a regular loss (e.g. £20 per week). If the latter occurs and there is no specific timeframe given by the local authority or victim, the Team will multiply the sum of money by 52 weeks (1 year) to reflect a history of fraud. The Scams Team considers this a conservative estimate, likely to understate the actual average duration of victimisation across all scam types and population subgroups. Where local TSS officers are only able to provide estimates in ‘hundreds’ or ‘thousands’, the Team rounds it up to £1,000 and £5,000, respectively.
- **Estimated consumer savings from consumer interventions** – The Scams Team assumes that if there was no intervention, chronic victims would continue to respond to MMF for another year (although it could be much longer). Hence, conditional on the success of an intervention (i.e. reduction/discontinuance of responding to MMF), the Scams Team extrapolates the amount of savings recorded by the Trading Standards officers to one year where appropriate.
- **Actual savings to consumers** – These include cash, cheques, PO, and card and bankers’ draft payments that are identified by the Scams Team and stopped before reaching the perpetrators.
- **Other results of interventions** – Particularly cancelling mail and investigative/disruptive work. The Scams Team is given the total number of items of mail stopped and uses the 18% return rate on scam mail and an average of £25 spent by consumers per one mail.

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**Worked example:** A contract was cancelled. A total of 691,685 pieces of post had come through the company account each year. On the basis of an assumed 18% return rate, 124,503 responses would have been received each year. By cancelling this contract and applying the average amount sent by victims (£25 based on evidence from all the mail seized over time), the Team estimates it has saved £3.11 million over a year during which the company has not been seen again.

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It is worth emphasising that what the Team is trying to achieve is difficult and they are clearly making a serious attempt to quantify the impact they are having. The main strengths and weaknesses of the current approach appear to be:

#### *Strengths*

- **Systematic approach:** Data is captured using a standardised feedback form and sent back to the Scams Team within an agreed time period.
- **Conservatism:** As discussed above, the Team adopts conservative estimates in its reporting.

#### *Weaknesses*

- **Reliance on victim honesty and recollection:** It is not always easy to find out exactly how much money a victim has lost through a scam. The data collected is therefore dependent on the victim's honesty and ability to remember details, and the Team does not truly know whether someone has stopped making payments.
- **Involvement of many individuals:** The system is dependent on the knowledge and expertise of hundreds of different Trading Standards officers to make their judgements at the time of the interviews.
- **Focus on approached/identified victims:** The reporting only considers detriment and savings tackled by the Team and does not reflect the unseen extent of MMF in the UK.

In addition, it was pointed out to us that the approach to calculating detriment was undertaken differently among the various NTS teams (see Figure 1), which made comparison difficult. Some observers within NTS suggested that the use of extrapolations and estimates by the Scams Team was more generous than approaches used within other teams which counted more tangible savings.

## 5.4 Developing the measurement of detriment and savings

We were asked to develop impact measures that capture the financial benefit for consumers, the public purse, and local economy. The measures should be summarised in an equation that could be used locally. Secondly, the task was to develop a method for measuring consumer detriment tackled by the Scams Team, including both direct and indirect savings. We consider these tasks to be intrinsically interconnected and also dependent on each other. Indeed, our proposed approach captures the various effects of MMF and the extent to which it is tackled by the Scams Team and, based on the model, suggests a set of measures and their analysis. The focus of the proposed methodology is broader than the current measurement performed by the Scams Team. In particular:

- It captures the detriment and savings tackled by the Scams Team (i.e. the focus of the original reporting).
- It analyses broader effects on victims' lives, primarily in terms of health effects or quality of life, and extrapolates the identified effects on the broader population affected by the unidentified MMF.

Existing literature (Croall 2001; Fraud Advisory Panel 2006; Levi 1999, 2001; Levi & Pithouse 1992) suggests that fraud in general can have significant consequences for victims. The most obvious is a

financial loss that can result in reduced income, the need to sell assets, including property, the need to go back to work if retired, or even facing bankruptcy. The factors shown to have an effect on individual experiences from fraud include age, gender, income, social status and networks (Button *et al.* 2014). Importantly, these factors reveal individuals' differing levels of vulnerability, and their subsequent ability to deal with unexpected and unwelcome events.

Button *et al.* (2014) conducted 30 face-to-face interviews and nearly 800 telephone interviews with victims of various frauds, although with mass-marketing frauds under-represented. They found that the fraud had little or no impact on only a very few people. The breakdown of the effects are set out in Table 6, which we would suggest using in the absence of any better analysis. These highlight the range of different impacts and give some sense of the relative likelihood of them occurring.

**Table 6: Effects of fraud**

Possible effects of fraud	% claiming low effect	% claiming high effect
Caused feelings of anger	21.9	68.4
Financial loss	48.6	45.0
Caused feelings of stress	44.3	44.3
Caused psychological /emotional feelings	53.9	36.7
Caused problems in relationships with partner or family	79.6	17.2
Caused physical health problems	85.9	10.8
Loss of pension	88.9	10.0
Worse personal credit rating	84.5	11.4
Caused problems in relationships with friends	87.7	9.1
Caused mental health problems	90.8	7.4
Loss of home	95.4	4.0
Loss of employment	96.8	2.5
Caused feelings of suicide	96.3	2.3
Led to suicide attempt(s)	98.3	1.7

Source: Button *et al.* (2014)

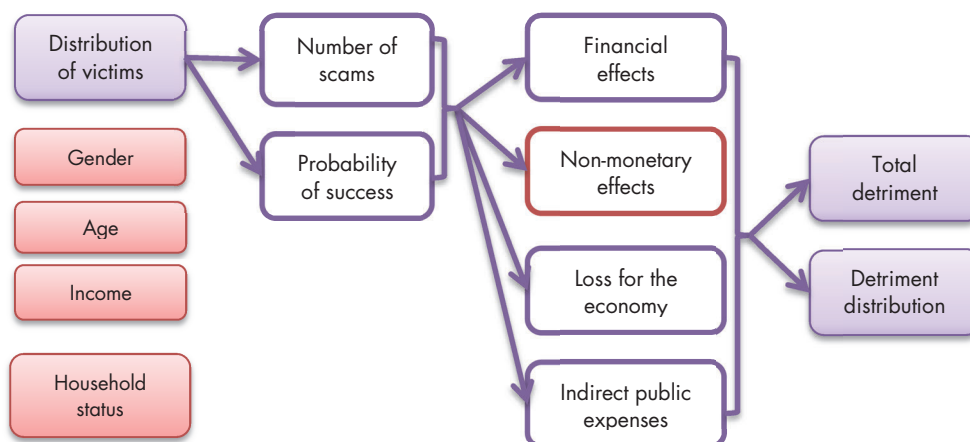
Not only do these findings constitute an important background to our model and can be used as provisional parameter estimates, they are also particularly useful in understanding the linkages between MMF and its various effects. Using these observations, we have developed the following logic model of MMF effects that constitutes the main analytical framework of our approach (Figure 13). Note that the assumed population of victims considers *all* potential victims in the economy, rather than only those identified by the Scams Team.

Starting from the left, the **characteristics of MMF victims** must be taken into account, as the literature suggests that the presence of certain characteristics influence greatly the magnitude of the effects or the susceptibility of individuals to become chronic victims. Population subgroups are not all equally exposed or vulnerable to MMF and it is therefore beneficial to perform an analysis at the level of particular subgroups, rather than thinking in terms of an 'average citizen'. For now, we define population subgroups by gender, age, disposable income and household status, although the selection could be expanded/reduced as appropriate. Some personal characteristics of victims are identified already through data collected via home visits (although we recommend later that additional information is gathered).

The second step is to estimate the **total number of potential MMF victims, number of scams they receive**, and the **probability of scam success**. The number of potential MMF victims needs to be extrapolated based on data collected by the Scams Team such as the amount of intercepted mail. Analysis of the number of scams received annually can be carried out by a top-down approach – by extrapolating the identified number of scams to the whole population (e.g. using scams identified, for example, in Cambridgeshire to come to an estimate of the total number of scams in the whole country). However, we believe that such an approach is very inaccurate, particularly because it is virtually impossible to identify all scams in a certain area.

Alternatively, a bottom-up approach can be used, assessing the number of scams received by different population subgroups by gathering additional data via the local TSS visits to potential victims. The same logic applies to the probability of success; rather than using a single piece of information received from a scam company (the 18% estimate), we would aim to assess the probability as the ratio of successful to total scams by individual. Data for this could also be captured by slightly extending the questionnaire currently completed during visits. Once we have these parameters, it is straightforward to multiply them by the number of potential victims within each subgroup.

**Figure 13: Analytical framework of MMF impacts.**



In order for such an approach to work, a **broader range of victims’ personal characteristics** needs to be captured during the local TSS visits. Our suggestions for additions are reflected in the revised standardised questionnaire (Appendix D).<sup>37</sup> This is because some people with particular characteristics are likely to be more or less susceptible to scams. For instance, where possible a clear distinction should be made between one-time and chronic victims. The issue of chronic victims is discussed, e.g. in Alves and Wilson (2008), who show on a limited sample of 28 observations that a half of the observed victims of telemarketing fraud were victimised more than three times and received at least two scam calls per week. The study also suggests that socially isolated people are more vulnerable to fraud. Therefore, when extrapolating MMF numbers to the broader population, the approximate share of chronic victims, average number of scams they respond to, and even vulnerability factors need to be accounted for.

Finally, the third set of items in the analytical framework specify the **MMF effects**. Based on the prior literature, we distinguish four types of consumer detriment: personal financial loss; negative effects on health, relationships, etc.; loss for the economy; and indirect public expenses. The financial loss is effectively equivalent to the detriment calculation provided by the Scams Team, whereas the other three proposed categories reflect the desire to measure non-monetary impacts on individuals as well as both direct and indirect effects on the economy and the public purse.

**Financial effects** are calculated as the total amount of money spent directly on all products associated with scams. For a one-time victim, the financial loss is simply the amount spent on the one occasion. For chronic victims, the loss is calculated using average loss per scam (as reported by the victim) and average number of successful scams over a given time period.<sup>38</sup>

<sup>37</sup> In particular, we propose identification of gender, age, household status (living alone, with partner/family, in a care home), and broad assessment of disposable income and health effects.

<sup>38</sup> Technical note: When extrapolating financial data, use of median, the middle point in an ordered set of values, may be preferred over simple sample average as the appropriate measurement of individual detriment due to common skewness of such data. In other words, given ten successful scams, nine of them resulting in a financial loss between £50 and £100 and the last one

**Effects on health, relationships, home security**, and other non-monetary personal effects are more difficult to identify and quantify. This is particularly true where people have mental health issues. Hence, we suggest not estimating these in monetary terms or including them in the detriment calculation. However, notwithstanding these difficulties, our brief literature review suggests that their omission altogether would lead to a serious understatement of the detrimental effects of MMF.

We therefore recommend that additional information is collected by local TSS officers in order to allow an assessment of whether these non-monetary personal effects exist and if so, whether they fall into two levels of severity (minor and major problems). This would give the Scams Team a better idea of the broader personal effects per victim, and allow for a better estimate of the potential (or avoided) indirect expenses to the public purse. The categories are as follows: emotional problems; physical health problems; mental health problems; loss of home or employment; and suicidal thoughts.

**Loss to the economy** can generally be understood as the combined effect of a loss of savings and lower productivity/job loss. Assuming that a large part of the stolen money leaves the UK, lost savings implicitly **reduce the amount of money spent in the UK economy** that would generate further growth. In economic theory, we talk about the multiplier effect, which defines the money generated within the economy for every £1 spent. The magnitude of the effect depends on a multitude of factors such as propensity to consume and save, and is calculated mainly at the national level. We have used the lower bound of the UK fiscal multiplier estimate provided by the International Monetary Fund of 0.9 to be a reasonable substitute in this case.<sup>39</sup> This means that the total loss would be 190% of the detriment (the financial loss and the 90% of it which is the implicit loss to the economy.)

The second category of losses to the economy relates to employed victims who experience **loss of productivity at work** due to mental/physical health problems, cannot attend work at all (absenteeism), or who lose a job as an indirect result of being scammed. In all cases, the effect includes a reduction in the generated output. While the losses to the economy resulting from lost savings can be directly approximated using the financial detriment, estimating productivity loss is nearly impossible and we therefore recommend that they are ignored.

**Indirect public expenses** result from physical/mental health problems, problems with relationships with a partner or family, loss of home, and loss of employment that may force victims to seek professional assistance, be hospitalised or even require long-term help in a form of going into care where no help can be obtained from family or friends. Estimation of these costs essentially relies on identification of the non-monetary personal effects described above and the average costs of care per person and the relevant time period. For instance, self-reported severe mental health problems and subsequent medical visits documented by the local TSS officer would be linked up with the local authority's estimate of an hourly cost of medical treatment, giving the total estimate of indirect public expenses per victim with such issues.

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in a £10,000 loss, the median loss would be around £75, whereas the average loss around £1,068. Here, median effectively disregards the single observation while using average value greatly overestimates the actual loss.

<sup>39</sup> International Monetary Fund (2012).



Using this data we can calculate the total detriment using the general framework:

$$\text{Total detriment} = \text{Financial effects} + \text{Economic loss} + \text{Indirect public expenses}^{40}$$

The key point to note here is that the disaggregation of detrimental effects into a wider range of categories allows a more systematic and comprehensive collection of individual-level data, that can then be used to provide more fine-tuned estimates of the total MMF effects.

Clearly, the greater level of detail comes with a **higher cost of data collection** (a burden particularly for the local authorities) and data analysis. However, we would stress that the extended questionnaire presented in this report takes this into account and we believe that the additional cost would be small (albeit there will be a need to convince some TSS that the expansion of the questionnaire is worthwhile, and there may be some training/guidance requirements).

Moreover, most of the new factors such as health effects or disposable income need only to be obtained in order to understand the initial distribution of effects, and would not need to be captured at all times. Indeed, as soon as the Scams Team has obtained a statistically reliable sample of distributions, the amount of data to be collected can be greatly reduced, which is also reflected in the second proposed questionnaire in Appendix D. The reason is that the individual level factors such as the probability of responding to scams arguably do not vary over time and the total detriment can thus be recalculated using only the updated number of scams per population subgroup or cost of medical assistance. It is also important to emphasise that the Scams Team could gather effective new data by working with a small group of local TSS, and that their findings could then be applied more widely across local TSS.

Finally, the estimated savings would be calculated using the same methodology as the financial loss, i.e. in line with the current Scams Team's methodology. Actual savings and other savings resulting from the interventions would also be calculated as before.

## 5.5 Calculation tool

We have implemented the theoretical framework of consumer detriment in an Excel tool that can be found in Appendix D. The tool includes extended versions of the current questionnaire used by the Scams Team, including questions to cover the new dimensions of detriment calculation; provides a data table in

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<sup>40</sup> More specifically, using the following equation:

$$\text{Detriment}_{jt} = \sum_{i=1}^N [\text{Scams}_{ijt} * P(\text{success}|i) * (FE_i + EL_{ij} + PE_{ij})]$$

Where  $\text{Scams}_{ijt}$  denotes the number of scams per given period  $t$ , region  $j$  and population subgroup  $i$  of size  $N$  (e.g. men aged 50–65, living alone, with £500–£1000 of disposable income per month),  $P(\text{success}|i)$  is the probability of subgroup  $i$  responding to the scam, and  $FE_i$ ,  $EL_{ij}$ ,  $PE_{ij}$  are the financial effects, loss for the economy, and increase in public expenditure per successful fraud, respectively.

which the responses can be captured; and transforms the responses into descriptive statistics that determine parameters in the detriment calculation using built-in functions. Eventually, the tool can be used on the local authority or national level by specifying the respective population characteristics and cost of care, as documented in Appendix D (sheet 2 – manual).

Importantly, the tool requires no maintenance or expertise to be used. All calculations are done automatically, the formulas are included, and the outcomes update every time a new data record is included. From the user perspective, the only action needed is thus to input the data obtained from Trading Standards officers into the prepared table, essentially in the same way as has been done previously. The built-in formulas then calculate the outcomes of interest, such as average loss per scam or probability of ending up in a hospital, for different population subgroups and present the data in a user-friendly format.

Besides calculating detriment and savings, the tool also produces an indicator of Value for Money using the ratio of savings and costs of the interventions – both at the local authority and at the Scams Team level. Because the estimated savings are by definition imprecise due to the self-reporting issues (see discussion in Section 3.3), the calculation is done twice - once using the total savings, and for a second time with only *actual* and *other* savings, i.e. variables that can be precisely estimated by the Scams Team.

Note that the results of the extrapolation to the broader population can only be as good as the input data; hence, greater precision in the estimates will increase with every assisted victim whose data is input and used as a basis for parameter estimates. We present two versions of the tool: one provides an estimate of total consumer detriment in Cambridgeshire based on fictional parameters<sup>41</sup> and the other – a working version – includes functioning formulas and can be readily used.

## 5.6 Estimate of consumer detriment

### Assumptions and limitations

The following calculation of consumer detriment caused annually by MMF is based on the Scams Team data on assisted victims and complemented by estimates from the existing literature. Unfortunately, the data is not detailed enough to allow the disaggregated analysis at a population subgroup level as outlined in the previous section. Instead, we assume that every victim loses the same average amount of money and is just as likely to have other non-monetary personal problems as everyone else.

According to the Scams Team, approximately 600,000 potential victims have been identified so far, and based on the data in Chapter 3, 68.7% of potential victims are confirmed victims, giving an estimate of 412,200 victims. However, this number is constantly growing and hence we use it as the lower, conservative boundary of the total number of victims – the amount of detriment currently tackled by the Scams Team. As the upper boundary – the estimated total number of victims in the UK – we use the

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<sup>41</sup> This version is for illustrative purposes only. None of the results presented represent a proper estimate of the actual detriment in Cambridgeshire.

Office of Fair Trading report<sup>42</sup> estimate of 3.2 million people scammed annually. Note that this number is likely to be overstated because this report considered victims of internet and identity fraud as well (although the proportion of internet fraud that took place ten years ago is likely to be far smaller than in 2016 given the relatively recent growth of on-line transactions). In addition, the UK population has grown since 2006 and so arguably, has the number of victims.

One limitation of the Scams Team data is the difference in age distribution of contacted victims between the Team's data and that used in previous studies. The latter covered victims regardless of age, whereas the Scams Team particularly aims to help the most vulnerable – i.e. primarily elderly – victims first. Hence, elderly people are over-represented in the available data.

Lastly, previous studies use an average identified detriment as the basis for their extrapolation to the whole population. However, the average is a good predictor only if the data is normally distributed.<sup>43</sup> Since this is not true for the detriment data, the overall detriment calculated using an average would be skewed upwards due to the small number of victims with extremely high losses. Indeed, 1% of victims lost between £100,000 and £1,000,000, resulting in average loss of £6,744, even though the median is just £450. On the other hand, the median essentially disregards all of these outliers and although it gives more reliable results, it understates the total detriment when used as basis for extrapolation.

A solution is to use something in between. In an ideal scenario, we would examine the whole detriment distribution by population subgroups.<sup>44</sup> Because this is impossible in this case, we combine the 10<sup>th</sup>, 20<sup>th</sup> and 90<sup>th</sup> quantile to obtain an average, taking into account characteristics of the detriment distribution.<sup>45</sup> As a reality check, we could also use logarithmic transformation on the data so that it is approximately normally distributed (see Figure 5) and we can thus use the standard average.<sup>46</sup>

There is also an issue of inconsistency in terms of how data is recorded between the Scams Team data and the existing literature. In particular, the OFT report looks at loss per scam and assumes that the majority of victims have not been scammed more than once per year. This results in differences in the assumed loss per scam per victim: the mean amount lost per scam was previously estimated to be £850 by the OFT (it is £6,744 based on the data by the Scams Team) and the median amount £14 (compared to £450 by the Scams Team). Moreover, Scams Team data provides information on the total estimated detriment per victim regardless of when the actual loss occurred and for how long the victim has responded to scams. The data therefore does not represent an estimated loss per selected time period.

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<sup>42</sup> Office of Fair Trading (2006).

<sup>43</sup> In other words, distribution of value has the bell-shape curve and there are approximately as many, and similarly distributed, values above and below the average.

<sup>44</sup> That is, looking separately, e.g. at how many men aged 75+ are assumed to lose £50–£100, how many £100–£200 etc. and summing the estimate with those for other population subgroups.

<sup>45</sup> Quantiles are cutpoints dividing a set of data into equal sized groups. For instance, 10<sup>th</sup> quantile is amount of detriment such that 10% of victims lose less, or equal than the amount and 90% lose more than the amount.

<sup>46</sup> Looking at Figure 5, the logarithmic values are not perfectly normally distributed (there are more values to the right of the average) and the average will thus slightly understate the actual value.

Even though the Scams Team aims to standardise the data to cover loss per year, this is only possible in the cases where the local TSS officers recorded data on estimated loss per week/month. Since we are therefore unable to determine the share of estimates covering a period of less/more than one year, it is possible that the data provided creates a bias in both directions, i.e. using the data can lead to both underestimating and overestimating the detriment caused by MMF annually. For these reasons, the estimate provided below **cannot** be directly compared to the previous estimates. In fact, given the high level of abstraction of the calculations above and the overall insufficient level of available data, the above presented results should only be considered as **illustrative**.

### Calculation of consumer detriment

Using the Scams Team data we get the following lower and upper bounds<sup>47</sup> on the consumer detriment caused by MMF in the UK annually:

Measurement	Lower bound – detriment tackled by the Scams Team (412,200 victims)	Upper bound – estimated detriment in the UK economy (3,200,000 victims)
Average of quantiles (£1804)	£744 million	<b>£5.77 billion</b>
Average of logarithmic transformation (£375)	£155 million	<b>£1.20 billion</b>
Physical health problems	47,520 people	253,440 people
Mental health problems	28,140 people	150,080 people

The estimated annual detriment in the UK economy is thus between £1.2 and £5.8 billion. Note that despite arriving at broadly similar conclusions as the prior literature, the reasons are vastly different as we use more detailed distribution of detriment rather than average.

<sup>47</sup> It is possible that the actual number is even higher than the upper bound as there is a high degree of uncertainty involved in the calculation. The given range merely suggest what would a reasonable estimate of the detriment be given that the provided data is broadly correct.

## 6 Value for money assessment

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### 6.1 What is value for money in this context?

The ITT asks for an assessment of the extent to which the Scams Team represents ‘value for money’ (VFM). Given the nature of the Team’s work, as well as the impossibility of being certain about the ultimate outcomes following the local TSS interventions arising from the Team’s work, this is far from straightforward and cannot be reduced to a simple equation.

In assessing VFM we also need to consider more than just the efficiency of the Team and examine what ‘value’ in the widest sense is being secured for the resources deployed. To do this, we need to go back to the purpose and objectives of the Scams Team. According to the NTS, the Scams Team was set up ‘To provide support and guidance to practitioners and organisations to decrease the amount of detriment caused to consumers in England and Wales as a result of Mass Marketing Fraud through prevention, disruption and practitioner education.’<sup>48</sup>

Taking a definition of value for money as the ‘optimal use of resources to meet the desired outcomes’,<sup>49</sup> we therefore suggest the following criteria for judging ‘value for money’ in the delivery of this service. In particular, where the Team:

- Helps to generate reductions in detriment and savings to consumers through investigation and disruption in excess of the costs it incurs.
- Is seen as a centre of excellence and creates value by stimulating new and innovative anti-fraud activity, partnerships and understanding which would not be generated in other ways.
- Allocates and deploys its resources effectively and efficiently, based on a thorough analysis of its environment and how it can best influence it.

### 6.2 Assessing ‘value for money’

In order to establish what ‘value’ the Scams Team is creating, we can draw on the evidence from the previous chapters of this report. In doing this, we need to bear in mind that our evidence base has some limitations which may affect any judgement. In particular, while a 45% response on our survey is more

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<sup>48</sup> National Trading Standards ITT for this project

<sup>49</sup> National Audit Office (2011).

than sufficient to draw conclusions from, we do not know whether respondents were more favourably disposed to the Scams Team than those who did not reply. The stakeholders we interviewed were identified by the Scams Team, and again may be particularly positive about the approach. We also had to rely on Scams Team data in the absence of other sources. Table 6 marshals the main evidence against the criteria set out above.

**Table 6: Assessing value for money**

Criteria	Evidence
<b>Helps to generate reductions in detriment and savings to consumers through prevention and investigation in excess of the costs it incurs</b>	96% of survey respondents state that intelligence from the Scams Team has ‘often’ or ‘sometimes’ helped identify scams victims (Table 3)
	97% of survey respondents agree that the Scams Team is ‘very’ or ‘quite’ effective in supporting their work (section 4.4.2)
	93% of survey respondents see the Scams Team as ‘very’ or ‘quite’ effective in fulfilling its objectives (section 2.5)
	Helped to secure returned savings of £6.982 million as at January 2016, with returned savings around £12 per £1 spent on the Team (section 3.3). This refers to money intercepted on its way to the scammers and returned back to the victims.
	Scams Team not aware that any PO box being used for scam companies in UK as a result of its efforts (section 3.2)
<b>Is seen as a centre of excellence and creates value by stimulating new and innovative anti-fraud activity, partnerships and understanding which would not be generated in other ways</b>	74% of survey respondents stated that without Scams Team input they would give MMF lower priority (45% stated this ‘very strongly’) (section 3.6.1)
	74% of survey respondents were only undertaking ad hoc work against MMF prior to working with the Scams Team (section 3.6.1)
	73% agree the Scams Team produces useful guidance and checklists on handling scams (section 3.4)
<b>Allocates and deploys its resources effectively based on a thorough analysis of its environment and how it can best influence it</b>	Established 40 partnerships among organisations that can help to prevent MMF and deal with vulnerable people and potential scams victims. Partners we interviewed were positive about the energy and innovation of the Scams Team and about their relationship with it. Several were unaware of the problem prior to involvement with the Team (section 3.6.3)
	Allocation based on prioritisation of Team tasks according to importance (section 2.4)
	Sharing of potential victim information prioritised so that most pressing cases are shared first, meaning that local authorities get priority victims first (section 3.5)
	Evidence of wide ranging approach to understanding scams and developing ways of tackling them through research, partnerships, good practice guidance, etc. (Chapters 3 and 4)

The first criteria assesses how successful the Scams Team is in achieving its goal of generating reductions in detriment and savings to consumers through prevention and investigation, and whether this is achieved for less than the costs it incurs. Evidence from the survey of local TSS suggests those in receipt of Scams Team information believe it is useful. And overall, 93% of survey respondents see the Scams Team as ‘very’ or ‘quite’ effective in fulfilling its objectives. In addition, data on actual savings returned to

consumers (these are cheques and money seized and returned to consumers) in relation to all costs incurred since the Team was established is in the region of £12 savings per £1 spent. It should be noted that this only includes the budgets of the Scams Team, and excludes costs incurred by local TSS. But it also does not take into account the overall estimated savings based on the information provided by the local TSS to the Scams Team.

The second criteria is related to the question of whether the Scams Team operates as a centre of excellence and creates value by stimulating new and innovative anti-fraud activity, partnerships and understanding which would not be generated in other ways. Three-quarters of survey respondents stated that without Scams Team input they would give MMF a lower priority locally (45% stated this 'very strongly'). A similar proportion of respondents were only undertaking ad hoc work against MMF prior to working with the Scams Team. This suggests that the information and support provided stimulate local activity in tackling MMF. The outputs of the Scams Team are also perceived as useful and practical. For example, 73% of survey respondents agree the Scams Team produces useful guidance and checklists on handling scams. Furthermore, the Scams Team established 40 partnerships with and among organisations that deal with potentially vulnerable people and can help to prevent MMF. Several of these partners were unaware of the problem prior to involvement with the Team, which points towards the Scams Team generating new activities among partners which were not previously undertaken or which would have probably not occurred without the Scams Team.

The last criteria relates to whether the Scams Team allocates and deploys its resources effectively based on a thorough analysis of its environment and how it can best influence this environment. The allocation of resources is based on the prioritisation of Team tasks according to importance and potential impact. It should be also noted in this context that the Team is developing new ways of tackling MMF and has a dynamic approach which probably requires a less static approach to resource allocation for now (e.g. not having fixed long-term budgets for larger projects but an allocation of resources per team with staff working across teams and trying multiple pilots and approaches at the same time). The Team is also sharing information about potential victims in a prioritised way so that the most pressing cases are shared first with local TSS, meaning that local authorities get priority victims first. Assuming that this approach has developed over time, this means that the Scams Team adjusts the information flow based on analysis and feedback from the environment it is operating in. Furthermore there is evidence that the Team tries to get a deep understanding of how scams work and develops ways of tackling MMF based on its own and external research, partnerships, good practice guidance, etc. This points towards the Scams Team applying an evidence-based approach grounded in the information that it obtains from its own works and third parties on how to best tackle MMF.

### 6.3 Comparison with an alternative approach to tackling MMF

To help further evaluate the 'value for money' of the Scams Team, we need to consider how the outcomes would compare under an alternative approach to the Scams Team national role. Given the scope and timeframe of this project we are not able to examine such a 'counterfactual' in detail or compare the work of the Scams Team to the national approach taken in a similar area (e.g. tackling money laundering and the related agencies and approaches taken in this area). However, in a more limited way, we can draw on

our survey evidence to help us consider whether leaving the tackling of MMF to local TSS alone would be more effective.

In our view, there is clear evidence that this alternative would not be as effective, even if the same amount of money (or indeed, significantly more) were available. Without a dedicated team, NTS would lose the national perspective and the accumulated expertise that is now available. Without a way of gathering and circulating targeted information, many local TSS have indicated that they would reduce the attention paid to MMF. External partners would also find it far harder to collaborate. As our survey indicates, without the Scams Team, three-quarters of responding teams would give lower priority to the work. There would also be a loss in the development and sharing of good practice, and a decline in the attention given to understanding how this form of fraud is evolving. Where a number of local TSS did decide to focus on MMF there is a distinct possibility of duplication of effort and less well evidenced approaches. In addition, it is hard to imagine how sharing the current Scams Team budget among 200 authorities could offer better value for money.

## 6.4 Overall conclusion on value for money

Based on evidence available to us, the Scams Team appears to be delivering considerable value which is securing beneficial outcomes which could not, and would not, be secured in its absence. Its work has led to total documented savings of an estimated £15.8 million, i.e. £27 of savings per £1 spent on the Team. Furthermore, even if we only take into account the actual savings returned to consumers (cheques and money seized and returned to consumers), the Scams Team secured £6.9 million as of January 2016 since it started to work in 2013. This equates to £12 for every £1 spent on the Team.

Furthermore, the Team is also clearly building value through establishing partnerships that did not exist before and linking TSS up with a range of partners in new or more robust ways. As a result, considerably more is being done to support scam victims, many of whom were invisible to relevant authorities before. The Team is creating, utilising and disseminating information, insight and good practice to direct attention at a problem that was poorly understood previously. It is hard to establish a benchmark against which to compare, but evidence from our survey suggests that the range and quality of current activity could not, and would not, be delivered without the Team. As a result, we conclude that the Team provides value for money. The main risk to this continuing is in the vulnerability of the network of relationships with local TSS to further budget reductions. A further question is whether NTS is optimising the expertise and potential of the Team given its small scale in comparison to the estimated size of the problem it is tackling.



## Appendix A – Methodology

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### Document review

RAND Europe undertook a focused review of relevant documentation provided by the Scams Team and also publicly available information about the work of the Team and the wider environment. This helped give a detailed understanding of the work of the Scams Team itself, which was used to develop interview protocols and prepare for the ‘Theory of Change’ workshop (see below). It also helped in the development of a sound understanding of how consumer detriment can be measured, which fed into developing a methodology for measuring the future impact of tackling consumer detriment on the local level.

### Interviews with key stakeholders

To capture the views and perspectives of key partners, we held a series of interviews by telephone in January and February 2016. The interviews were semi-structured, following a standardised protocol developed in advance by the research team in the interest of comparability, but allowing for unique discussions to capture any context-specific views and insights. They were carried out by experienced researchers. At the start of each interview, interviewees confirmed consent to: (a) being interviewed at all (b) being recorded (c) their responses being used in the report. The interviews were held with representatives from a wide range of stakeholders who have contact with the work of Scams Team. The interviewees are listed below.

#### **Table 7: Interviews conducted**

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<b>Staff from National Trading Standards and Government (11)</b>
Mike Andrews, National Co-ordinator, NTS e-Crime Unit
Ruth Andrews, North Yorkshire Trading Standards
Louise Baxter, Manager, NTS Scams Team
Colin Briggs, NTS Scams Governance Team
Karen Haseldine and Andrew Preston, Department for Business, Innovation and Skills
Wendy Martin, Programme Director, National Trading Standards Board
Ben Meredith, NTS Scams Team
Sophia Mohns, NTS Scams Team
Dave Riley, Wales Heads of Trading Standards
Andy Sherriff, Bournemouth TSS
Paul Thomas, Head of Devon and Somerset Trading Standards

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## Key stakeholders and partners (10)

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Bob Ash, Royal Mail

Marilyn Baldwin, Think Jessica

Steve Betts, Whistl UK

Melissa Dring, Chartered Trading Standards Institute

Jonathan Frost, National Fraud Intelligence Bureau

Phil Mawhinney, Age UK

Melanie McGinn, Citizens Advice

Adam Stevens, Information Commissioner

James O'Sullivan, Building Societies Associations

Fiona Turner, Royal Bank of Scotland

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## Theory of Change workshop

A 'Theory of Change' (ToC) approach helps an organisation to identify what it wants to achieve through a given initiative, and the steps it needs to take to achieve it. Given the range of different elements to the programme and the multiple objectives, we considered there would be considerable value to the Scams Team and this project in organising a facilitated half-day ToC workshop with relevant staff. This was held at the offices of the Scams Team on 20 January 2016.

In advance of the session, RAND Europe prepared a draft ToC diagram based on an initial review of documents. The session started with the overall outcomes that the Team is aiming to achieve and worked backwards to understand how the activities that are currently funded are designed to secure these outcomes.

The ToC workshop:

- Allowed RAND Europe to gain a better understanding of the original purposes of the Team and the assumptions used to inform and justify its activities.
- Helped clarify the strategic vision for the future, both short-term and long-term.
- Allowed RAND Europe and the Scams Team to agree how the different elements of the programme are expected to lead to the desired objectives.
- Provided an efficient way for RAND Europe to secure the views of staff, rather than in separate interviews. A group discussion may well also be more fruitful in sparking ideas and debate between colleagues.
- Helped identify the priority elements of the programme and any which may be less significant in helping achieve objectives.
- Provided the opportunity for the Scams Team to revisit the structure and rationale behind the different elements of the programme and for RAND Europe to identify the risks to non-delivery.

Our draft ToC diagram was the basis for a facilitated discussion which refined and amended the model until there was consensus that it described the processes which link a set of activities to the achievement of particular objectives.

## Survey of local authorities

A key aspect of the work of the Scams Team is the partnerships established between the Team and local authorities. We therefore surveyed all 200 local Trading Standards Services in England and Wales to gather their views on the work and value of the Scams Team, as well as the effectiveness of contacts with them. We developed the online survey following our initial literature review and interviews with the Scams Team. The survey included a series of tick box questions that could be analysed statistically, as well as some open text questions to gain a better understanding of the context. It was also deliberately designed so that those local TSS that did not have a Service Level Agreement with the Scams Team could indicate this and answer a truncated version of the survey. The draft survey instrument was reviewed by NTS and the manager of the Scams Team. We agreed that it would be sent out via NTS and was targeted at the senior Trading Standards officer in each authority.

The survey consisted of five sections:

- I. Your organisation.
- II. Awareness of the Scams Team.
- III. Added value and effectiveness of the Scams Team.
- IV. Working with the Scams Team.
- V. Future developments.

It was designed to take around 10–15 minutes to complete. The survey could be saved and progressed later in order that people had the chance to spread completion. We originally asked for completion by 19 February 2016, and provided a contact point using the following email address: [ScamsSurvey@rand.org](mailto:ScamsSurvey@rand.org). In the end the survey was left open until 26 February and two reminders were sent out through NTS.

We received a total of 90 responses (a response rate of 45%).

## Appendix B – Survey of local Trading Standards Services

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### **NATIONAL TRADING STANDARDS SCAMS TEAM – LOCAL AUTHORITY SURVEY INSTRUMENT**

This survey is part of a RAND Europe research project on the work of the Scams Team commissioned by National Trading Standards. The purpose of the review is to help inform the Team's future development. The final report will consist of:

- an assessment of the Scams Team in its current form;
- recommendations for service improvements and future provision; and
- recommendations relating to existing performance measures and the measure of consumer detriment.

#### **Completing the survey**

The survey consists of five sections in which we ask you about the following:

- I. Your organisation
- II. Awareness of the Scams Team
- III. Added value and effectiveness of the Scams Team
- IV. Working with the Scams Team
- V. Future developments

We estimate that it will take around 10-15 minutes to complete the survey. You can save your progress at any time and finish the survey later. In the course of completing the survey there will be a number of questions which will be added or removed depending on your responses. The page will briefly reload to reflect this.

We would be grateful if you could complete the survey by **19 February 2016**. If you have any queries related to the survey or the project, please do not hesitate to contact us using the following email address: [ScamsSurvey@rand.org](mailto:ScamsSurvey@rand.org).

#### **Use of the survey results**

A key aspect of the work of the Scams Team is the relationship between it and local authorities. This survey is designed to gather the views of local authority Trading Standards teams on the work and value of the Scams Team, as well as the effectiveness of contacts with it. The results will be aggregated and used alongside other evidence such as gathered through interviews.

## Target audience

The survey has been sent to all Trading Standards Services. It should be completed by, or on behalf, of the senior Trading Standards officer and be considered as a definitive statement of the organisation.

## Data protection

While individual survey responses are identifiable to the RAND Europe research team, the data will be treated in confidence and only reported to third parties in aggregated form. The responses will be kept for the duration of the evaluation project.

RAND Europe adopts good industry practices regarding the protection of personal data as part of its obligations as a Data Controller under the Data Protection Act 1998 and takes appropriate technical and organisational measures conformant with ISO 27001 to protect personal data. Respondents to this survey have the right to oppose, have access to, rectify, or remove personal or sensitive personal data held by RAND Europe.

## NATIONAL TRADING STANDARDS SCAMS TEAM – LOCAL AUTHORITY SURVEY

### I - Your organisation - background information

In this section, we ask you for basic information about your organisation and your role in it.

1. What is the name of your local authority?

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2. What is your role in this organisation?

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3. How many staff (FTEs) are employed on trading standards work?

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4. How important to your authority do you consider work to identify and disrupt scams?

- Very important
- Quite important
- Not very important

5. Does your authority currently have a Service Level Agreement with the Scams Team?

- Yes (If yes, please move to Part II)
- No (if no, please continue with Q6)

6. If No, please state the reason(s) for not having a Service Level Agreement.

7. **If No, do you intend to work with the Scams Team in the future?**

- Yes (Where you have answered Yes, this is the end of the survey. Thank you for your participation)
- No:

8. **If No, what would encourage you to work with the Scams Team in the future?**

(Where you have answered No, this is the end of the survey. Thank you for your participation)

**II – Awareness of the Scams Team**

The Scams Team was established in 2012 and is one of the National Trading Standards’ core funded teams. It undertakes a wide range of work designed to tackle mass marketing scams, which are often targeted specifically at vulnerable and disadvantaged consumers, and cause an estimated £5-10 billion of detriment a year. The Scams Team receives information from a number of partner organisations, and approaches and then enters into a Service Level Agreement (SLA) with local Trading Standards. Where capacity exists, the local authority commits to engage with the victims identified in their area.

9. **In which year did you first have contact with the Scams Team? (Please tick one)**

2012	2013	2014	2015
------	------	------	------

10. **Understanding of the Scams Team and its role**

Please consider the following statements and indicate how strongly you agree with them.

	Very strongly	Strongly	Moderately	Not at all
‘I am clear about the role of the Scams Team’				
‘The Scams Team plays a unique role in protecting consumers’				
‘Without the input of the Scams Team, tackling mass marketing fraud would have lower priority in my authority’				
‘The responsibilities of the Scams Team are clearly differentiated from those of other agencies working in consumer protection’				
‘The results of the work of the Scams Team are well communicated’				

**III – Added value and effectiveness of the Scams Team**

**11. Prior to working with the Scams Team what action was your local authority taking against mass marketing scams? (Please tick one)**

- 
- None
  - Had own scheme
  - Tackled as cases arose on ad hoc basis
  - Other
- 

**12. Effectiveness of the Scams Team**

	Very effective	Quite Effective	Not effective	Don't know
Overall, how effective do you consider the Scams Team is in fulfilling its objective of tackling mass marketing fraud?				
Overall, how effective do you consider the Scams Team is in supporting your work?				

**13. What contribution(s) does (do) the Scams Team make to your work?**

Please tick as many of the following as you think are applicable

<input type="checkbox"/>	Provides helpful information to identify scam victims
<input type="checkbox"/>	Assists us in supporting local victims and breaking cycles of victimisation
<input type="checkbox"/>	Produces useful guidance and checklists on handling scams
<input type="checkbox"/>	Issues helpful and informative newsletters
<input type="checkbox"/>	Acts as a central source of valued expertise
<input type="checkbox"/>	Disseminates valuable good practice material

Other, please specify:

-----

**14. How do you rate the following aspects of the work of the Scams Team?**

	Very effective	Quite Effective	Not effective	Don't know
Intelligence on potential scam victims				
Scams Toolkit – tools and checklists				
Newsletters				
Expert guidance				

15. What outcomes have arisen from the use of intelligence provided by the Scams Team?

	Often	Sometimes	Rarely	Never
Helped identify victims				
Provided support for victims				
Disrupted scams				
Created mechanisms to prevent scams from developing				
Other				
Where other, please specify:				
-----				

IV – Ability to work with the Scams Team

16. How do you rate the quality of partnership working with the Scams Team under the SLA?

	Very good	Good	Fair	Poor

17. Which of the following factors influence your views on the quality of the working partnership? (Please tick any which are relevant)

<input type="checkbox"/>	Working relationship with individuals
<input type="checkbox"/>	Quality of information provided
<input type="checkbox"/>	Continuity/consistency of staff
<input type="checkbox"/>	Communication/feedback provided
<input type="checkbox"/>	Collaborative working approach of the Team
<input type="checkbox"/>	Other

Where other, please specify

-----

18. Have there been occasions when you have been unable to partner with the Scams Team?

YES/NO



(If yes) What factors have constrained your ability to work with the Scams Team?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
Limited resources and time Don't consider the work of the Scams Team will add value Already taking own action Scale of scams not considered serious enough						

19. Have there been occasions when you have had to limit the number of cases to follow up you have taken from the Scams Team under your SLA?

YES/NO

(If yes) What factors have influenced this?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
Limited resources and time Not sufficiently high priority cases Already taking own action						

### V – Future developments

What changes would you like to see to the Scams Team to make it more useful and effective in the future?

Please describe in a few words

### Final thoughts

Is there anything else about the work of the Scams Team and your dealings with it that you would like to share with us?

[Open question]

Thank you very much for your time. The results of this survey will feed into the final report that RAND Europe will prepare for the National Trading Standards Board.

Please do not hesitate to contact us if you have any questions or would like to raise any issue, at [ScamsSurvey@rand.org](mailto:ScamsSurvey@rand.org).

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## Appendix C – Interview protocols

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### Interviews with key partners

#### **Background**

What is the name of your organisation?

What is your role? How long have you had dealings with the Scams Team?

Why do you have contact with the Scams Team and what does this contact involve?

How often do you have contact with the Scams Team?

What formal arrangements (if any) do you have in place for liaising with the Scams Team?

#### **Role of the Scams team**

How clear do you consider the role of the Scams Team is? [If not, what reservations do you have?]

Do you consider this role is necessary and of value? [If not, why?]

What contribution does the Scams Team make to your work?

#### **Effectiveness of the Scams Team**

Do you have any views on the effectiveness of the Scams Team?

What are its key strengths and weaknesses?

Are you happy with your contacts with the Scams Team? Please could you explain why?

Do you have any comments on the following:

- quality of staff
- continuity of staff
- communication and feedback from the Scams Team

#### **Impact of the Scams Team**

Do you have any views on the effectiveness of the Scams Team?

Are you able to give an example of where your contact with the Scams Team has had impact?

## **Future of the Scams Team**

Are there any changes you would like to see to the Scams team to make it more useful or effective?

## **Interviews with local authorities not engaged with the Scams Team**

What is the name of your local authority?

What is your role?

Are you aware of the role of the Scams Team? If NO – explain briefly what it does and see whether this has any effect on interviewee.

If YES

Have you ever engaged with the Scams Team and signed a Service Level Agreement with them? (assume NO)

If not, why not?

Prompt: resource reasons? Do not think its work is relevant? Do not consider it is effective?

What would make you agree to work with the Scams Team in the future?

## Appendix D – Calculation tool

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### *Sheet 1: Introduction*

Following is a framework model for estimation of consumer detriment caused by mass marketing fraud (MMF), consumer savings resulting from the Scams Team's work, and an overview of indicators that are necessary for their precise calculation. The potential variables to be included in the model were assessed in terms of relevance and reliability and only those that are known or that can be reliably captured through the ongoing visits of victims by the local TSS officers were selected. Hence, factors such as the costs to the public through police time spent on investigating reported scams or change in victims' consumption habits as a result of being scammed are excluded from the analysis.

The model aims to capture broader effects on all assumed victims in the UK or any specified sub-region, depending on the input data to be selected by the user. This is done through 1) collection of individual-level data and analysis of age, gender, income, and other distributions of victims and the detrimental effects of MMF; 2) description of region-wide factors and population characteristics; and 3) generalisation of the observed facts on the broader economy using statistical properties of the findings and the probability theory. Only the detriment caused by MMF received within the selected year is taken into account on the aggregate level; chronic victims responding to scams over the course of several years are treated separately in terms of detriment tackled through interventions.

Specifically, the approach allows for an explicit distinction between various population groups in terms of vulnerability to MMF, both in terms of probability of responding and in the resulting effects. Because it would be virtually impossible to obtain reliable joint distributions across all assumed dimensions (e.g. the probability that a man aged 55–70, with disposable income of £1000 per month, living alone, would respond to a certain type of MMF), we consider those to be mutually independent, allowing for the overall joint distribution by multiplication of individual distributions.

The outcomes are calculated for a representative period of one year.

As discussed in the accompanying report, the total detriment caused within the UK economy can be principally broken down into the following components:

$$\text{Total detriment} = \text{Financial effects} + \text{economic loss} + \text{indirect public expenses.}$$

**Financial effects** are calculated as the total amount of money spent directly on all products associated with scams. For one-time victims, the financial loss is simply the amount spent on the one occasion. For chronic victims, the loss is calculated as a product of average loss per scam (as reported by the victim) and average number of successful scams per given time period.

Even though **health effects** are not explicitly included in the equation estimating detriment because they do not have a transparent monetary representation, they are essential for determination of indirect public expenses. In particular, individuals with serious health issues triggered or worsened by being a victim of a scam, are likely to visit a specialist or require assisted care. The amount of public expenses incurred by MMF indirectly through detrimental health effects are likely to vary across different categories of health effect and severity, as summarised in the following table taken from Button et al. (2014):

Possible effects of fraud	% of victims	% of victims claiming low effect	% of victims claiming high effect
1) Caused feelings of anger	98%	22%	68%
2) Caused feelings of stress	91%	44%	44%
3) Caused psychological /emotional feelings	83%	54%	37%
4) Caused problems in relationships with partner or family	74%	80%	17%
5) Caused physical health problems	72%	86%	11%
6) Loss of pension	58%	89%	10%
7) Worse personal credit rating	63%	85%	11%
8) Caused problems in relationships with friends	70%	88%	9%
9) Caused mental health problems	67%	91%	7%
10) Loss of home	55%	95%	4%
11) Loss of employment	54%	97%	3%
12) Caused feelings of suicide	65%	96%	2%
13) Led to suicide attempt(s)	63%	98%	2%

Source: Button, Lewis & Tapley. 2014. 'Not a victimless crime: The impact of fraud on individual victims and their families'. *Security Journal*. 27 (1): 36–54.

These effects are for illustrative purposes only and serve as a base for categorisation of health effects of MMF used further. The actual parameters will be obtained directly from the reported data.

**Loss to the economy** is generally a combined effect of a loss of savings and lower productivity/job loss. Assuming that a large part of the stolen money leaves the UK, lost savings implicitly reduce the amount of money spent in the economy that would generate further growth. In the economic theory, this is called the multiplier effect, most commonly known in its fiscal form – the ratio of change in national income to the change in government spending that causes it. Magnitude of the effect depends on multitude of factors such as propensity to consume and savings or involvement in international trade. In the model we use the lower bound of the UK fiscal multiplier estimate provided by the International Monetary Fund of 0.9; this means that each £1 spent would generate additional £0.9 in the long-term through increase of demand and, subsequently, production.

The second category of losses to the economy relates to employed victims who experience loss of productivity at work due to mental/physical health problems (so called presenteeism), cannot attend work at all (absenteeism), and victims who lost their job as an indirect result of being scammed. In all cases, the effect is reduction in the generated output not accompanied by proportional decrease in costs (the cost to the economy), and a potential reduction in wage or an increased probability of being dismissed as a result of underperforming at work.

**Indirect public expenses** are an indirect outcome of MMF, resulting from physical/mental health problems, problems in relationships with partner or family, loss of home, and loss of employment that may lead some victims to seek professional assistance, be hospitalised or even require long-term help in the form of a retirement home if no help can be obtained from family or friends. Clearly, not all of these chains of events will lead to the same outcomes with the same probability. Hence we have grouped together the rather narrow categories presented in the table above into the following broader categories: emotional problems, physical health problems, mental health problems, loss of home or employment, suicidal thoughts. Using the reported share of fraud victims who have the reported issues and multiplying them by the percentage of relevant victims who consider each to be a major issue, we can obtain the average share of MMF victims (assuming that the effects of MMF and fraud in general are comparable) with severe health issues by category. Since the study does not report on the share of victims with more than one problem, we consider, in line with reality, each victim to be potentially endangered by all health problems at the same time.

Finally, each health problem is assumed to have a certain probability of detrimental effect on the public purse as a result of victims seeking professional assistance associated with it. Needless to say, the effects are heterogeneous as emotional problems will rarely lead to hospitalisation or placement in a care home, unlike mental health issues such as suicidal thoughts. Each severe problem is therefore assigned a specific probability of leading to either of the three outcomes. The total indirect public expenses are then calculated as a product of probability of having certain issue, the probability of it being severe, the probability of need to seek professional assistance, and cost of each service per given time period, summed across all population groups, categories of problems, and types of assistance.

## Sheet 2: Manual

- 1 Data is collected on the local authority level using the presented questionnaire. Initially, the complex questionnaire must be used to obtain detailed population-specific characteristics.
- 2 The data is input into the 'Data collection' sheet at the local authority level and sent to the Scams Team.
- 3 The Scams Team appends the new data to those already in the 'Data collection' sheet – the relevant cells in the 'General Input Data' are updated automatically using Excel functions.
- 4 On sheet 'Calculation' fill the following data for the assumed population (e.g. for Cambridgeshire):

Input data		Input data	
<b>Population breakdown</b>		<b>Population breakdown</b>	
Population size	[add]	Population size	622,200
<b>Gender</b>		<b>Gender</b>	
Male	[add]	Male	50.85%
Female	[add]	Female	49.15%
<b>Age group</b>		<b>Age group</b>	
<25	[add]	<25	36.41%
25-44	[add]	25-44	32.98%
45-59	[add]	45-59	14.81%
60-74	[add]	60-74	9.56%
>74	[add]	>74	6.24%
<b>Household status</b>		<b>Household status</b>	
Alone	[add]	Alone	10%
With partner	[add]	With partner	50%
With family	[add]	With family	28%
Care centre	[add]	Care centre	12%
<b>Disposable income</b>		<b>Disposable income</b>	
<£100	[add]	<£100	5%
£100-£500	[add]	£100-£500	46%
£500-£1500	[add]	£500-£1500	34%
>£1500	[add]	>£1500	15%
Specialist's average hourly cost	[add]	Specialist's average hourly cost	£50
Cost of hospitalisation (per day)	[add]	Cost of hospitalisation (per day)	£200
Cost of care home (per year)	[add]	Cost of care home (per year)	£25,000
Total cost of intervention	[add]	Total cost of intervention	£2,770
Potential victims identified	[add]	Potential victims identified	1059
Total referrals sent	[add]	Total referrals sent	841
Victims assisted	[add]	Victims assisted	841
Actual savings to consumers	[add]	Actual savings to consumers	£25,000
Other results of interventions	[add]	Other results of interventions	£102,896
Estimated financial loss identified	[add]	Estimated financial loss identified	£702,896



5 The results are automatically updated based on the parameter estimates and population inputs

Output data	
1 Total detriment caused	#VALUE!
2 Total savings (lower bound)	#VALUE!
3 Total savings (upper bound)	#VALUE!
4 Total cost of intervention	[add]
5 Value for Money	#VALUE!

**Estimated financial loss**

6 Estimated financial loss to scams per year	#VALUE!
7 Estimated loss per one-time victim	£0
8 Estimated loss per chronic victim if unassisted (lower bound)	£0
9 Estimated loss per chronic victim if unassisted (upper bound)	£0
10 Estimated financial loss identified by the scams team	[add]

**Estimated loss for the economy**

11 Due to lost savings	#VALUE!
12 Due to productivity and jobs loss	#VALUE!

**Estimated indirect costs for the public**

13 Outpatient costs	#VALUE!
14 Inpatient costs	#VALUE!
15 Care homes	#VALUE!

**Estimated extent of scams**

16 Estimated no. of successful scams	#VALUE!
17 Estimated no. of victims	#VALUE!
18 Potential victims identified	[add]
19 Total referrals sent	[add]
20 Victims assisted	[add]

**Estimated no. of victims with severe problems:**

21 Caused problems in relationships with partner or family	#VALUE!
22 Caused physical health problems	#VALUE!
23 Worse personal credit rating	#VALUE!
24 Caused mental health problems	#VALUE!
25 Loss of home	#VALUE!
26 Loss of employment	#VALUE!
27 Caused feelings of suicide	#VALUE!
28 Led to suicide attempt(s)	#VALUE!

Output data	
1 Total detriment caused	£75,857,364
2 Total savings (lower bound)	£585,315
3 Total savings (upper bound)	£901,950
4 Total cost of intervention	£2,770
5 Value for Money	268

**Estimated financial loss**

6 Estimated financial loss to scams per year	£25,223,263
7 Estimated loss per one-time victim	£25
8 Estimated loss per chronic victim if unassisted (lower bound)	£251
9 Estimated loss per chronic victim if unassisted (upper bound)	£1,004
10 Estimated financial loss identified by the scams team	[add]

**Estimated loss for the economy**

11 Due to lost savings	£18,160,750
12 Due to productivity and jobs loss	£5,498,333

**Estimated indirect costs for the public**

13 Outpatient costs	£453,441
14 Inpatient costs	£563,811
15 Care homes	£25,957,766

**Estimated extent of scams**

16 Estimated no. of successful scams	1,008,931
17 Estimated no. of victims	112,103
18 Potential victims identified	1059
19 Total referrals sent	841
20 Victims assisted	841

**Estimated no. of victims with severe problems:**

21 Caused problems in relationships with partner or family	14,183
22 Caused physical health problems	8,711
23 Worse personal credit rating	7,994
24 Caused mental health problems	5,556
25 Loss of home	2,468
26 Loss of employment	1,527
27 Caused feelings of suicide	1,685
28 Led to suicide attempt(s)	1,205



Updated questionnaire - complex

Contact made		Yes	No					
<b>If no</b>	Why?	Deceased	Moved	Not at home	Address Unknown			
Gender		Male	Female					
Age		<25	25–44	45–59	60–74	>75		
Household status		Alone	With partner	With family	Care centre			
Occupation		Pensioner	Full time worker (describe)	Part time worker (describe)				
Disposable income		<i>categories</i>						
Scam victim		Yes	No	Unknown				
<b>If unknown</b>	Why?	Deceased	Moved	Not at home	Address unknown	Refused to engage		
<b>If victim</b>	Type of scam obtained	Lottery	Catalogue	Prize draw	Clairvoyant	Charity	Telephone	Other
	Type of scam responded to	Lottery	Catalogue	Prize draw	Clairvoyant	Charity	Telephone	Other
	How is victim sending money	Cash	Cheque	Postal order	Bank details	Other:		
	Chronic victim	Yes	No					
	<b>If chronic:</b> For how long has the victim responded to MMF (in months)?							
	How many scams does the victim receive per week?							
	To how many scams (in %) does the victim respond?							
	What is the (average) financial loss per scam?							
	Actual savings made through the intervention							

Estimated future period of victimisation							
Result of the intervention	Reduction in mail	Referred to ASC	Reduced spending	Authority to follow up	Raised awareness	Any further intervention work	
Victim of any other crimes?	Yes (description)	No	Unknown				
Individual continues to send the same amount	Yes	No	N/A	Other			
Individual no longer responds to scams	Yes	No	N/A	Other			
Problems (minor)	Emotional	Mental health	Physical health	Relationships	Loss of home	Loss of job	Suicidal thoughts
Problems (severe)	Emotional	Mental health	Physical health	Relationships	Loss of home	Loss of job	Suicidal thoughts
Has the victim required professional help as a result of MMF?	Yes	No					
<b>If yes</b>							
Are they a Mail Marshall?	Yes	No					
Do they suffer from phone scams?	Yes	No	Unknown				
<b>If yes</b>	Do they have a call blocker?	Yes	No				
<b>If no</b>	Would they benefit from having one?	Yes	No				

Updated questionnaire - simple

Contact made		Yes	No					
<b>If no</b>	Why?	Deceased	Moved	Not at home	Address Unknown			
Gender		Male	Female					
Age		<25	25–44	45–59	60–74	>75		
Household status		Alone	With partner	With family	Care centre			
Occupation			Full time worker	Part time worker				
Scam victim		Pensioner	(describe)	(describe)				
<b>If unknown</b>	Why?	Yes	No	Unknown				
<b>If victim</b>	Chronic victim	Deceased	Moved	Not at home	Address unknown	Refused to engage		
	<b>If chronic:</b> For how long has the victim responded to MMF (in months)?	Yes	No					
	Estimated detriment							
	Estimated savings							
	Actual savings made through the intervention							
	Result of the intervention	Reduction in mail	Referred to ASC	Reduced spending	Authority to follow up	Raised awareness	Any further intervention work	
	Victim of any other crimes?	Yes (description)	No	Unknown				

	Individual continues to send the same amount	Yes	No	N/A	Other			
	Individual no longer responds to scams	Yes	No	N/A	Other			
	Problems	Emotional	Mental health	Physical health	Relationships	Loss of home	Loss of job	Suicidal thoughts
	Has the victim required professional help as a result of MMF?	Yes	No					
	<b>If yes</b>							
	Are they a Mail Marshall?	Yes	No					
	Do they suffer from phone scams?	Yes	No	Unknown				
	<b>If yes</b> Do they have a call blocker?	Yes	No					
	<b>If no</b> Would they benefit from having one?	Yes	No					

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