



health



crime and
disorder



the environment



economic
development



consumer
education

Local Authority Trading Standards Services – A Guide for Councillors in Scotland

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Foreword



Dear Councillor

Local Authority Trading Standards Services play a vital role in improving health, wellbeing and promoting the economic prosperity of citizens and businesses across the UK.

Trading Standards Services are key partners for the Office of Fair Trading (OFT). Together we implement the consumer law regime that lies at the heart of UK economic policy. Yet their contribution is not always fully understood or appreciated, even within local authorities.

Since December 2005, the OFT has been responsible for championing Trading Standards Services and providing them with regulatory leadership. To fulfil this duty, in early 2006 we consulted widely to understand what Trading Standards Services felt were the most challenging and important issues affecting their ability to deliver services effectively and efficiently.

That consultation included very constructive dialogue with interested parties in Scotland, including Trading Standards Services representatives, to ensure that we took full account of regional differences and specific Scottish interests and issues.

The main issues identified related to funding, recruitment and retention, capacity levels required to provide advice to consumers and businesses and their profile within local authorities. As a result we are jointly engaged on a programme of action to address these issues.

This booklet is a product of one of the workstreams within this programme. It is designed to highlight the vital contribution Trading Standards Services in Scotland make to health, safety, wellbeing and economic prosperity of citizens and businesses and to provide you with a broader view of their role.

I hope you will find it of value.

Yours sincerely

Handwritten signature of Philip Collins.

Philip Collins
Chairman
Office of Fair Trading

Introduction



What do Local Authority Trading Standards Services do?

Protecting the public is one of the most fundamental roles of a local authority; a role that is at the heart of the work of the Trading Standards Service. However, much of this work is unseen and often unappreciated.

The contribution the Trading Standards Services make to health, safety and economic wellbeing is not always fully appreciated by central and local government. This is surprising given the number of 'good news' stories about the work of Trading Standards Services that appear in the local and national media.

As a Councillor you have a powerful influence on this contribution. This guide has been produced to assist you to better understand the range of activities carried out by your own authority's Trading Standards Service.

Trading Standards Services are one of the largest local regulators in Scotland. A recent government review of regulation concluded:

'Local authority regulatory services play a crucial role in their local communities. In terms of impacting on business and in delivering regulatory objectives for government, the importance of these services cannot be underestimated'.

The report also stated:

'Trading Standards serve as a key source of advice to businesses, especially small businesses. They deliver both national and local regulatory objectives supporting the delivery of a wide range of policy areas in the process'.

Whilst all Scottish Trading Standards Services may provide the same core services, protecting consumers and helping and supporting legitimate businesses, they vary in the range of functions they perform and the manner in which they deliver them.

Each section helps you understand how local Trading Standards Services:

- play a fundamental part in protecting the public and promoting fair trading
- provide help and advice to consumers and businesses.

Trading Standards Services

Working for a healthier Scotland



Health

Habits acquired in early years have a profound effect on behaviour and health in later life. Trading Standards Services have an important role in regulating the way many items are advertised and ensuring that potentially harmful products, such as tobacco, alcohol and solvents, are not available or supplied to young people or children.

This is achieved by providing businesses with advice and training, by promoting proof of age schemes and campaigns and by carrying out, often in conjunction with the Police, test purchase programmes using young volunteers.

West Dunbartonshire Trading Standards Service

West Dunbartonshire Trading Standards Service produces clear and straightforward guidance packs for shopkeepers to encourage them to prevent the sale of cigarettes, fireworks and spray paint to underage people. The Trading Standards Service works in partnership with Strathclyde Police so that the pack is comprehensive and includes products such as alcohol and knives, which are of concern to the Police as well as Trading Standards Services.

The packs are aimed at smaller businesses, that don't have access to in-house legal teams, to help them comply with the law and regulations. The pack explains the legal requirements in simple terms and sets out the easy steps that can be taken, such as asking to see proof of age and training all staff to spot likely underage purchasers. Following distribution of the packs, the Trading Standards Service has noticed a reduction in the number of instances of illegal sales to young people.

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Working for a healthier Scotland

The growth in counterfeit products also brings added dangers in relation to tobacco and alcohol. These dangers are not exclusive to the younger members of society.

Counterfeit cigarettes and alcohol

Scottish Trading Standards Services carried out tests on counterfeit cigarettes on sale in local shops. These tests showed that the cigarettes contained twice the amount of tar declared on the packaging. Also, seizures of fake vodka contained high levels of the dangerous substance methanol.

Trading Standards Services also help reduce the danger to public health by guarding the safety of the food chain. They ensure that farmed animals are healthy, disease free and fully traceable (vital in the event of an outbreak such as Foot and Mouth Disease) before they become available for human consumption.

In addition, we all know how stressful situations can affect our physical and mental wellbeing. Problems with home improvements and repair work can turn into a nightmare situation for some consumers. Problems with purchases of used cars, holidays, electrical goods and furniture, for example, can cause stress and anxiety for many. Trading Standards Services' consumer advisors can often relieve this stress, by advising and supporting consumers to resolve problems themselves and intervening to resolve the problem when required.

Trading Standards Services

Working for a healthier Scotland

Some Trading Standards Services provide monetary advice and debt counselling. As credit becomes a larger part of our daily lives, so does the problem of unserviceable debt. The spiral of debt can lead to relationship problems, ill health, mental health problems and in some cases family break ups. There are even documented cases of suicides related to indebtedness. Trading Standards Services' money advisors can rationalise peoples' income and outgoings, arrange repayment programmes and offer options to people to ensure that they can clear their debt and get their life back on track.

Psychological detriment

In Edinburgh in 2006, Dr Peter Lunt of University College London presented, to the International Consumer Protection and Enforcement Network, findings of an OFT commissioned study on the psychology of consumer detriment. One of Dr Lunt's findings was that, in addition to financial loss, consumers also suffered disappointment, loss of confidence in suppliers, stress and anxiety as a result of unfair trading practices, such as dubious marketing methods.

Consumer Protection from Unfair Trading Regulations, that come into force in April 2008, will hopefully reduce such detriment by stamping out unfair selling and marketing methods and by introducing a general prohibition on traders engaging in unfair commercial practices.

Trading Standards Services Working for a safer Scotland



crime and
disorder

Crime, the fear of crime and anti-social behaviour are major concerns for communities across Scotland. Trading Standards Services enforce a wide range of legislation that protects people from crimes such as:

- bogus traders and 'cowboy' builders
- misleading home working schemes
- lottery scams
- illegal money lending
- premium rate telephone scams
- supply of counterfeit goods
- supply of dangerous goods
- misleading or false offers or prices
- misleading or false description of goods or services.

Trading Standards Services tackle all of these criminal offences, often with the Police, HM Revenue and Customs and Community Safety Partners.

Angus Council Trading Standards Service

In response to overwhelming support from its local Citizens' Panel, Angus Council Trading Standards Service launched a campaign providing 50,000 residents with, leaflets and stickers. In addition, training CDs were supplied to bank and building society staff to alert them to signs of vulnerable or elderly people withdrawing cash sums under duress. Several elderly customers with dementia were saved from unwanted traders taking advantage of them in the first few months after launch.

Illegal money lending is a crime that is often accompanied by intimidation and violence. The Scottish Illegal Money Lending Unit was set up to tackle the problem throughout Scotland and is government funded.

Trading Standards Services

Working for a safer Scotland

Scottish Illegal Money Lending Unit

In 2005, the Scottish Illegal Money Lending Unit took action against an unlicensed lender that had been operating in the Glasgow area for over 15 years. The illegal money lender operated from a pubic house in the city. Evidence was obtained via surveillance and at least 40 clients with outstanding debts totalling over £10,000. As a result, the lender was sentenced to ten months in prison. Assets in the region of £150,000 were identified and recovery action is ongoing under the Proceeds of Crime Act.

Recent research suggests that the UK public lose around £3.5 billion per year to scams. This equates to approximately £70 per person each year.

Intellectual property theft, which includes counterfeiting, is estimated to cost the UK economy billions of pounds every year. Although the true cost is difficult to estimate, some studies estimate it is equivalent to six per cent of gross domestic product. If accurate, its impact on the UK in 2004 was close to £72 billion.

East, North and South Ayrshire in partnership

Up until the launch of the Fake Free Ayrshire Initiative in 2006, there had been a large increase in the amount of fake goods being sold from homes, at places of work or on licensed premises in Ayrshire. Recognising this problem East, North and South Ayrshire pooled their resources, along with trade organisations such as FACT, BPI, ELSPA and Microsoft, to produce a range of anti counterfeiting initiatives aimed at the main problem areas.

These included campaigns such as "Fakes at Work", "Fakes at Home" and "Fakes on the Internet" to raise awareness and appeal for information from the public. To support these campaigns a range of posters, leaflets and information cards were produced to advertise the problem of counterfeiting in the community. All the partners jointly undertook a high profile launch and this was followed up by local displays. The problem has visibly reduced as a result.

Trading Standards Services

Working for a more sustainable Scotland



the environment

Protecting and preserving the natural and built environment is becoming increasingly important. As consumer awareness of things such as energy consumption of appliances and green claims rises, so does the potential for businesses to promote these issues for competitive advantage and for unscrupulous ones to exploit them.

Trading Standards Services are responsible for enforcing legislation that allows consumers to make informed choices about electrical appliances based on their energy efficiency. In addition, false or misleading claims can be investigated across a wide range of 'eco claims'.

Government studies estimate that one third of an average household's total waste is made up of product packaging. Whilst appropriate packaging is permissible, there are many examples of businesses supplying products in wholly inappropriate and wasteful packaging. Although Trading Standards Services have carried out some good work in this area, there is little doubt that more needs to be done.

The framing of the legislation does not always lend itself to effective enforcement action. However, the Trading Standards Service is working to expand its influence in this area by raising public awareness about packaging and advising businesses how to minimise waste.

Other enforcement duties that contribute to environmental issues include:

- licensing of retail petrol sites to ensure safe and secure storage of petrol and traceability of disused tanks
- ensuring chemicals are correctly and clearly labelled
- controlling the disposal of animal by-products to control disease, both animal and human.

Trading Standards Services

Working for a more sustainable Scotland

One of the links between anti-social behaviour and the built environment is the growing problem of graffiti. The Annual Scottish Household Survey in 2006 found the 16 per cent of adults identified graffiti as a problem. UK wide, it is estimated that the cost of cleaning up graffiti is over £1 billion per annum.

Trading Standards Services are responsible for enforcing the age restriction on spray paint sales and work closely with Police and Community Safety partners on initiatives to reduce the incidence of graffiti.

South Ayrshire Trading Standards Service

In 2007 South Ayrshire Council and Strathclyde Police worked together to reduce the problem of graffiti. Using child volunteers, as young as 14, they found that 83 per cent of sellers of spray paint supplied the aerosol without checking their age. After issuing advice and warnings, the graffiti perpetrators began using aerosol hair dyes which were cheaper and not subject to any age restriction. Local sellers have now agreed to a voluntary age restriction and the council is in discussion with the Scottish Government over the problem of 'alternative' graffiti products.

Trading Standards Services

Working for a thriving Scotland



economic
development

‘The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all.’ (World Bank: 2006)

Economic prosperity and development are key elements of local authority thinking and planning. Local economies are shaped and built around the individual nature, infrastructure and demographics of an area. Their success shapes the success and prosperity of the national economy as a whole and impacts on the education, health and quality of life of local communities.

The right trading environment is required to encourage, sustain and nurture business growth.

The work of Trading Standards Services helps to bring about a fair trading environment in which reputable and responsible business activity, essential to the local and national economy, can succeed. Some of the most notable contributions, many of which we have previously touched on, are:

- ensuring accurate weights, measures, pricing and descriptions of food, goods and services
- provision of business compliance advice, particularly to small and medium enterprises (SMEs)
- promotion of good practice in the supply of goods and services
- protection of intellectual property rights
- tackling rogue traders.

Trading Standards Services

Working for a thriving Scotland

Shetland Islands Trading Standards Service

Shetland Islands Council's Trading Standards Service provides high quality measurement services to local businesses on a cost recovery basis. This enables local businesses to obtain a more responsive and competitively priced service than can be provided by companies from outside the Shetland Islands.

The service calibrates weighing equipment, such as high precision laboratory balances, fish graders, packing scales and weighbridges, for customers across a range of business sectors and public bodies.

It also hires calibrated test weights to customers, enabling accurate safety checks on lifts, vehicle tail-lifts and the stability of boats.

Examples of enforcement action against rogue traders are well documented and are often picked up by the media as 'good news' stories. Yet work carried out with business, vital for economic development, largely escapes attention.

North and South Lanarkshire Councils Trading Standards Service and the Scottish Licensed Trade Association (SLTA)

South and North Lanarkshire Council's Trading Standards Services, in partnership with the SLTA, produced a training pack 'Do you Measure Up.' The pack aims to assist regulators and businesses to work together to ensure effective understanding of, and compliance with, legal obligations. It enables employees and their supervisors to assess their ability to comply in practice.

The Home Authority Principle, developed and monitored by LACORS, ensures a single Trading Standards Service takes responsibility for advising and liaising with businesses that operate in more than one local authority area. The main benefit, for both local authorities and large businesses, is the ability to monitor and feedback complaints and seek advice through one contact.

New businesses, particularly SMEs, require common sense and practical advice to ensure they trade fairly and safely. Providing this advice at the earliest possible stage enables the business to comply with its legal obligations

Trading Standards Services

Working for a thriving Scotland

and, just as importantly, contributes to maintaining the overall standard of trading in that locality.

This can be done during inspections, in response to specific requests, via training courses, websites, leaflets and other materials.

South Ayrshire Council

South Ayrshire Council distributes a 'New Business Information pack' that contains a range of advice on Trading Standards Service issues and other regulations to assist new start-up businesses. The pack also gives an introduction to the work of local authority services such as planning, building standards, licensing and environmental health. The pack can be tailored depending on the trading activity of the new business and is also made available through the local Small Business Gateway.

It's not only in urban areas where Trading Standards Services support economic development. In rural areas, the impact of animal disease can be enormous. Trading Standards Services play a crucial role in helping to ensure effective disease controls for farmed animals are in place both to prevent outbreaks and to prevent their spread where they do occur.

Many remember all too clearly the economic and social impact of the Foot and Mouth disease outbreak in 2001. Estimates for the outbreak (bearing in mind the disease did not extend past Dumfries and Galloway) place the cost at between £13.6 and £29.8 million.

More recently Avian Influenza and Bluetongue virus have become a threat.

Trading Standards Services

Working to empower Scotland's citizens



consumer
education

'Given the importance of consuming in today's world, consumer skills are a pre-requisite for active citizenship and full participation within society.' (Scottish Consumer Council: 2006)

Consumer education is concerned with the skills, attitudes, knowledge and understanding necessary to become an effective consumer. Mere factual information about a product, service, or a legal right is not enough. Consumers need to be able to manage resources, obtain information about competing products and services, and they need to evaluate one product against another in order to make a choice. They also need to know where and when to seek further advice or help

Today's marketplace is complex, rapidly changing and global. Credit and the advent of the web as a global marketplace have contributed to the need for consumers to be knowledgeable and confident. The telephone and online consumer advice service, Consumer Direct, is operated by the OFT and Trading Standards Services.

Consumer Direct Scotland

The Consumer Direct website offers a range of self-help guidance and resources to enable consumers to understand their rights and to resolve problems. Since its launch, in July 2004, Consumer Direct Scotland's call handling centre has helped over 300,000 consumers in Scotland providing them with information about their consumer rights and advice on how to gain redress when things go wrong. Around 75,000 of these contacts cannot be resolved by consumer advice alone and are referred to Local Authority Consumer Advisors and Trading Standards Service Officers for intervention or investigation. It is estimated that Scottish consumers have saved an estimated £10 million in refunds, compensation and replacements.

Trading Standards Services carry out a great deal of consumer education, particularly with vulnerable groups and young people.

Trading Standards Services

Working to empower Scotland's citizens

Edinburgh Trading Standards Service

Edinburgh Trading Standards Service, in partnership with the council's youth services, have set up a consumer advice and advocacy project for 11 –21 year olds called Fairdeal. The aim of Fairdeal is to ensure younger consumers know their rights and are confident about applying them when a problem arises. As part of the project Young Scot runs a telephone helpline. Though the primary aim is to provide self-help and guidance to enable young persons to resolve the problem for themselves, Edinburgh's consumer advisors are on hand if more assistance is required, since some retailers fail to treat problems from young people seriously.

It is not just by resolving complaints and tackling rogue traders that Trading Standards Service act to safeguard markets and assist with the development of local economies. Trading Standards Services also act as excellent sources of information on fair trading business and can often sign-post consumers to reputable and trusted firms.

Dundee City Council Trading Standards Service

Dundee City Council Trading Standards Service set up the Trusted Trader scheme, a local business partnership scheme aimed at increasing consumer confidence, promoting good practice within local small business, and helping protect citizens from doorstep crime. It is a condition of membership of the scheme that members adhere to a Code of Practice. The Trusted Trader scheme is managed and administered by Dundee City Council Trading Standards Service. Their own customers, through a survey system operated by an independent company, assess the services delivered by member businesses.

Trading Standards Services

The challenges ahead

We hope that you now have a broader understanding of the range of duties and activities that Trading Standards Services undertake and the contribution these services make to the citizens and businesses of Scotland.

The work of Trading Standards Services affects the daily lives of us all. Some of these areas are devolved matters to the Scottish Government, such as money advice, age restricted goods and animal health and welfare. However, most are 'consumer protection' matters reserved to the UK Government, such as legislation dealing with consumer credit, trade descriptions, product safety, misleading prices and weights and measures. Whether reserved or devolved, Scottish local government is responsible for delivering these functions.

There are many competing national priorities and local priorities vary between authorities. However, in relation to the range of duties and activities, there is a very real capacity issue for some Scottish local authorities.

In 2002 an Audit Scotland study, of all Scotland's Trading Standards Services, concluded that 'service expectations are broadly the same, but there is a wide variation in the level of service to consumers and traders in different council areas.'

Recruitment and retention of staff, lack of access to Councillors and loss of profile within management structures, are some of the major issues that Chief Trading Standards Service Officers cited to the OFT.

The Audit Scotland report also concluded 'councils are experiencing problems in recruiting both qualified Trading Standards Service Officers and trainees – a quarter do not have an adequate number of appropriately skilled staff to undertake investigation of offences.'

Since the Audit Scotland report was published, the situation has deteriorated. Since 2002, over a third (35 per cent) of Chief Trading Standards Service Officers have left the service and not been replaced, seriously weakening the leadership structure. There is no longer a single trainee Trading Standards Service Officer post left in Scotland. The age distribution of senior officers means that the service will face a crisis within the next five to ten years if left unchecked.

These are serious challenges that we need to address, urgently. We are already trying to do so through initiatives such as the programme of joint action with the Office of Fair Trading. In addition SCOTSS is participating in work

Trading Standards Services

The challenges ahead

along with the Improvement Service and through the Community Wellbeing and Safety Executive Group at COSLA to examine the workforce issues. A long-term solution that will deliver sustainable services to the benefit of local consumers, businesses and communities requires political and financial support from within local government. That is where your support is critical.

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