

# **Analysis and commentary on 'bogus trader' data**

## **Annexe R of the doorstep selling report**

May 2004

## **Background**

R.1 Various sources, but most especially a proportion of the cases provided by Citizen's Advice and presented in annexe R, provided evidence of behaviour that fell so far outside normal business practice that it could not be considered merely as 'unfair' trading practice. Perpetrators of such behaviour are often described as 'bogus traders', and their activities as 'bogus trading'.

## **Who are the offenders?**

R.2 Most commonly, the offenders purport to be trades people offering repairs, services and maintenance to homes and gardens, but with the intention of obtaining money and no real intention of providing anything in return. They will often carry out inferior work (sometimes no work at all) and charge exorbitant fees. They may place extreme pressure on vulnerable people to obtain monies and sometimes accompany people to banks and building societies to withdraw cash. They are often difficult to trace because they usually do not have a fixed business address and are highly mobile.

## **Aim of the analysis**

R.3 A substantial number of Trading Standards Departments (TSDs) and some local police forces have introduced their own initiatives in response to the problems of doorstep trading problems. The purpose of this analysis is to obtain a general indication of the magnitude of bogus trading throughout the UK. While the estimates are based on the working definition of bogus trading given above, the description is recognised and understood by local TSDs and police forces.

## **Analysis**

R.4 The analysis excludes cases of distraction burglary. Home Office sources estimate cases of distraction burglary in England and Wales totalled 19,400 in 2001/02 and 18,700 in 2002/03. The pretence of selling something is certainly sometimes used as a distraction. However, it is only one of many tricks and deceptions used to divert the householder's attention while property is being burgled.

- R.5 Drawing together the available data, bogus trading in the UK seems to occur typically at a rate of around 250 cases per year per million persons. Amalgamating the information from these sources is considerably complicated, however, by the many differences in approach that exist at a local level to recording such activity. Though the analysis has included as much data as possible, some has necessarily been excluded. Such exclusions are based purely the need to ensure consistency and do not in any way reflect on the quality of the data being collected or the effectiveness of local initiatives.
- R.6 For example, North Yorkshire police reported cases at a rate rather higher than other sources. Their assessment was made by searching their incidents database for a wide range of key words within doorstep selling cases such as 'tarmac' and 'guttering' commonly associated with this activity. This was followed by manual check of the cases identified, to ensure the cases were correctly identified and not incidental occurrences of the keyword. This methodology seems entirely rigorous, and should provide an accurate count of reported incidents at the doorstep.
- R.7 However, only a modest proportion of these cases were recorded as actual crimes. It remains unclear of the extent to which these incidents may actually reflect bogus trading cases where money was paid over, to what extent they include unsuccessful attempts to commit such acts, and to what extent they may also include cases where the sales person was genuine but members of the public were suspicious and alerted the police.
- R.8 A further important example is provided by operation LITOTES in the South West of England. This is a regional crime fighting consortium across constabularies in the South West specifically devoted to combating on the problems of distraction burglary and bogus trading. Coordinated by Devon and Cornwall constabulary, the scheme has launched its own 'Beat the bogus caller' campaign. This initiative has had notable successes including the successful prosecution of a number of prolific distraction burglars.
- R.9 When local TSDs in the South West become aware of a qualifying case they make use of a formal notification system to draw the case to the attention of the police for inclusion on the LITOTES system. They may also share the information by notifying neighbouring TSDs.

- R.10 The approach, however, seems to place greater emphasis on distraction burglary and theft from the dwelling – accounting for 90 per cent of all cases - than related types of doorstep problems. Deception cases appear only at rates about an order of magnitude fewer than in other parts of the country (29 per million persons per year). There is therefore real doubt that the category defined as 'deception cases' on the LITOTES database matches the working definition of 'bogus trading' and on this basis results have not been included.
- R.11 Returning to the overall estimation of bogus trading, based on a number of local estimates, the best overall estimate of bogus trading cases lies in the region of 250 cases per year per million persons. Given the uncertainties already mentioned, extrapolating to national levels can do no more than provide broad indicators. On the basis of the above calculations<sup>1</sup> and a UK population close to 60 million persons, if consistent recording systems were in place throughout the UK, recorded cases of bogus trading might number around 15,000 each year.
- R.12 During the early stages of this investigation, with the help of a considerable number of TSDs, the Office of Fair Trading organised a rapid 'snapshot' study of cold calling problems. While lacking much of the in-depth information provided by the local initiatives, it concluded that around 1.9 per cent of consumer complaints were associated with doorstep cold calling, and in a typical year this would be the equivalent of 15,500 cases nationwide being reported to TSDs. There is some degree of interdependence between the two estimates, but the consistency is reassuring.
- R.13 One further step in assessing the level of consumer detriment that these activities generate is possible, and that is by multiplying each case by an estimate of the typical loss to the consumer. Where data are available – for example the cases that supported the Citizen's Advice original super-complaint – these values often run into thousands of pounds. The Citizens Advice data itself averaged around £2,400. Information on cases of bogus trading from Surrey TSD (where the cost of the transaction known in 132 cases) produced an average of £3,340 per transaction.
- R.14 In 2002, over a set of about 100 cold calling complaints Bromley TSD estimate the average transaction had a value of £2,300, though this

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<sup>1</sup> combination of the rate per million population x the total UK population

included some cases where the intervention of the TSD prevented money being paid over to the rogue trader. In a set of cases involving cold calling for roofing building and paving work scams through 2002 and 2003 Bromley TSD estimate the average transaction value at £2,550.

R.15 With some emphasis on the very broad brush approach to these estimates, overall recorded losses for the victims of bogus trading appears to lie in the general region of £40 million each year, that is 15,000 cases at about nominal figure of £2,500 each.

R.16 It is also essential to note that bogus trading incidents are not only under reported by consumers, but also under recorded by both TSDs and the police. Several sources who provided us with figures for this document stated that the numbers represent only a small proportion of complaints, which are in fact the 'tip of the iceberg'.

**SUMMARY: BOGUS TRADING RATES: ANALYSIS OF RECORDED CASES COLLECTED FROM LOCAL INITIATIVES**

Rate per million persons per year

<b>Area</b>	<b>Population</b>	<b>Bogus trading cases</b>
Bromley	299,000	326
Cambridgeshire	553,000	375
Dorset	391,000	425
Kent	1,330,000	47
Lincolnshire	653,000	533
Surrey	1,060,000	240
West Yorkshire	2,079,000	227
Wrexham	128,000	257
<b>Average (Population weighted )</b>		<b>253</b>

R.17 A number of TSDs and police forces also provided data and are included in the detailed section below, but are omitted from the table above. Such omissions do not imply any criticism of, or inherent problem with the data. The omissions reflect variations in coverage, definitions and other concerns that the data may not conform to the working definition of bogus trading adopted for this analysis.

### **Commentary on bogus trader data**

R.18 The key area of interest for TSDs is 'bogus trading', that is traders who purport to provide goods or services as pretence to obtain money. In general the police initiatives concentrate on distraction burglary and criminal deception. These two activities combined are often referred to as artifice crime.

R.19 Unfortunately, there is no reliable way in which the information provided by police and TSDs with an interest in this issue can be unified. The schemes have differences in definition, coverage and approach that make a general aggregation of the results difficult.

R.20 However, the purpose of this analysis is to obtain a general indication of magnitude rather than in the hope of making an exact estimate. Wherever data of reasonable suitability are available, rates of recorded complaint have been calculated on the basis of cases per year per million persons. The following material sets out the calculations in detail.

## TSDs data

### Surrey

#### Period covered

37 weeks

Methodology

Bogus traders

#### Reported cases

TSD	224
Doorstep selling problems but with no criminal element	43
Bogus trader incidents (includes two distraction burglaries referred to the police)	181
Police Distraction burglaries reported to police during same period	184

#### Population

1,059,900 persons

#### Rates per year

Bogus trading	240 per million
Distraction burglary	242 per million

### Bromley

#### Period covered

52 weeks in 2002

52 weeks in 2003

Methodology

Bogus trader

## **Reported cases**

Bogus trader cold calling consumers' complaints 98 + 97

## **Population**

299,000 persons

## **Rates per year**

Bogus trading 326 per million

## **Dorset**

### **Period covered**

Six month period April to September 2003

Methodology

Doorstep selling complaints for property repairs/ maintenance (50) AND other (33). Total 83

### **Population**

390,986

### **Reported cases**

Doorstep and bogus trading cases 83 cases

### **Rate per year**

Doorstep and bogus trading cases 450 per million

## **Cleveland**

### **Background**

Police – operation Strongbow.

Artifice crime is defined as crime involving a trick action or falsehood that enables a dwelling to be entered with intent to steal OR property is stolen (Burglary) OR where a person is deceived into parting with property,

which as payment is disproportionate to the goods or services delivered (to include attempts).

Methodology

Bogus traders AND distraction burglary

### **Period covered**

52 weeks in 2002

26 weeks in 2003

### **Reported cases**

300 cases

### **Population**

Redcar and Cleveland	139,141
Hartlepool	88,629
Middlesbrough	134,847
Stockton on Tees	178,405
Total	541,102 persons

### **Rates per year**

Artifice crime 370 per million

## **Lincolnshire police**

### **Background**

Operation liberal

### **Period**

January to November 2003 inclusive 47 weeks

Methodology

Bogus traders

### **Reported cases**

Bogus trading incidents reported to police 315

Distraction burglaries 72

### **Population**

653,400 persons

### **Rates per year**

Bogus trading 533 per million

Distraction burglary 122 per million

## **Wrexham**

### **Background**

Wrexham division North Wales Police, Distraction burglary information:

### **Period**

12 months to October 2003

Methodology

Doorstep selling generally but with BT characteristics -overcharging and shoddy work. NB also include gas/ electricity, mobility aids etc

### **Reported cases**

Wrexham TSD

Consumer complaints: Re doorstep selling 33 cases

Wrexham division North Wales Police

Distraction burglary: 10 cases

## **Population**

128,447 persons

## **Rates per year**

Distraction burglary 78 per million

Doorstep complains 257 per million

## **North Yorkshire**

### **Background**

North Yorkshire covers

Craven, Hambleton, Harrogate, Richmond, Ryedale, Scarborough and Selby

### **Period**

One year – 2003 for TS data & 1.9.02– 31.8.03 for police data

Methodology

All doorstep selling cases (but can be analysed by home improvements and gardening = 138 (instead of 262)

### **Population**

569,660 persons

### **Reported cases**

TSD: Bogus trader complaints 262 cases

Police: Doorstep crime complaints: 945 cases

Where key words involving match written report details

### **Rates per year**

TS Bogus trader 460 per million

Police doorstep crime 1,659 per million

## Warwickshire County Council

### Background:

Information drawn from TSD authority database:

### Period

52 weeks

Methodology

Doorstep selling complaints of home improvements/ repairs

### Population

505,885 persons

### Reported cases

Contracts away from business premises,

Cases of traders with no fixed address/cannot be traced 47

### Rates per year

Bogus trader 93 per million

## Kent

### Period

26 week period in 2003

### Population

1,329,653 persons

Methodology

Bogus traders (unsolicited calls by doorstep sellers of home improvements/ repairs)

## **Reported cases**

TSD: Bogus trader incidents

31

## **Rates per year**

Bogus trader incidents 47 per million

## **Cambridgeshire**

### **Period**

12 months 2003

### **Population**

552,655 persons

### **Methodology**

Doorstep selling of home maintenance, repairs and home improvements

(though could add gardening service and other services/ goods sold on the door, which would bring the total to 206)

### **Reported cases**

TSD database, 143 cases

Reported Distraction Burglaries, 224 cases

### **Rates per year**

Doorstep and bogus trader problems 375 per million

## West Yorkshire

### Period

April 2003 to January 2004 inclusive

### Methodology

Doorstep selling complaints generally, but can just cover Tarmac/ drives (68), roofing (53) & Property repairs, including gardening (23) = 144.

Others complaints included doorstep selling of energy, double glazing, security, stone/ pvc cladding, electrical appliances, food e.g. hampers, financial/ legal & charity sales.

### Population

2,079,217

### Reported cases

West Yorkshire TSD

Complaints related to bogus traders on the doorstep 393 cases

### Rates per year

Complaints related to bogus traders on the doorstep 227 per million

Within the above period they have attended 115 responses which has resulted in over £50,000 saved to complainants

## South West

### Background

Operation Litotes: Regional crime fighting consortium across constabularies in the South West.

### Methodology

Bogus trading (142)

## **Period**

All 2003

## **Population**

4,928,458 persons

## **Reported cases**

Devon and Cornwall constabulary: regional responsibility for SW

Artifice crime

Includes distraction burglary      879 cases

And criminal deception              142 cases

Other offences                          356 cases  
(Theft / stealing from dwelling)

Total                                      1377 cases

## **Rate per year**

Artifice crime              per million

Supplementary information: British Crime Survey: England and Wales

Crime in England and Wales 2002/2003

Burglary

Table 2.01

Recorded crime: 2002/03

447,000 cases

116,000 with no loss

331,000 cases with loss

Population 52.478 million

Annual rate: 8,520 per million

**Burglary** - An offence of burglary is recorded by the police if a person enters any building as a trespasser and with intent to commit an offence of theft, rape, grievous bodily harm or unlawful damage. Figures on recorded crime are provided separately for burglaries that occur in domestic properties and those which occur in commercial or other properties. In making a comparison with police recorded crime, burglary with no loss is used in the BCS comparisons as a proxy for attempted burglary, though there will be some instances with no loss where entry has been gained. Attempted burglaries figures are collected by the police as a supplementary data collection. The BCS covers domestic burglary only, but it is possible to differentiate between attempted burglaries and burglaries with entry. Burglary does not necessarily involve forced entry; it may be through an open window, or by entering the property under false pretences (e.g. impersonating a meter reader). Burglary does not cover theft by a person who is entitled to be there at the time of the offence (see theft in a dwelling). The dwelling is a house, flat or any connected outhouse or garage. Common areas (e.g. hallways) are also included if usually secure. See also: attempted burglary, burglary-no loss, burglary with entry, burglary with loss, domestic burglary and theft in a dwelling.

**Burglary-no loss** - Police recorded crime figures do not distinguish between burglary with entry and attempted burglary, only between burglary with loss and burglary with no loss. Burglary-no loss includes attempted entry to a property and cases where a property was entered but nothing was stolen. This is used when comparing the BCS and recorded crime figures. Attempted burglaries figures are collected by the police as a supplementary data collection. With effect from 1 April 2002, value of property stolen ceased to be collected via the police recorded crime collection so no BCS comparisons on value of property stolen are possible.

**Burglary with entry** - This term is used in the BCS and comprises burglary where a building was successfully entered, regardless of whether something was stolen or not.

**Burglary with loss** - This term is used in the BCS and comprises burglary where a building was successfully entered and something was stolen.