

**HERTFORDSHIRE COUNTY COUNCIL**

**COMMUNITY SAFETY AND WASTE MANAGEMENT  
CABINET PANEL**

**FRIDAY 27 APRIL 2018 AT 10:00am**

Agenda Item No.

**5**

**SCAMS AND THE CALL-BLOCKER WORK CARRIED OUT BY TRADING  
STANDARDS**

*Report of the Director of Community Protection & Chief Fire Officer*

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Executive Member:- Terry Hone, Executive Member for Community Safety  
and Waste Management

**1. Purpose of report**

- 1.1 To inform Panel of the work carried out by Trading Standards to prevent Hertfordshire citizens being victims of telephone scams, and to support those who have been scammed.

**2. Summary**

- 2.1 Trading Standards in Hertfordshire install call-blocker units made by a company called trueCall, in the homes of vulnerable scam victims in order to help prevent future telephone scams. The units have been funded using a combination of Community Safety Partnership money and grants from the Police and Crime Commissioner.
- 2.2 Referrals are received from a number of different sources including social workers, Alzheimer's Society workers, family and friends, plus as a result of proactive trading standards enforcement action.
- 2.3 Units are provided where a resident has been a victim of a scam, or is likely to be vulnerable to future scams. Each referral is judged on its own merits, taking into account vulnerability, and call-blockers are not necessarily provided to everyone who receives a nuisance phone call and makes a report to Trading Standards.

- 2.4 Trading Standards install the call-blocker on behalf of the resident by setting up and programming the unit and then they monitor it remotely as appropriate and necessary. As such, it is not only the number of call-blocker units that are the limiting factor in providing these units but also staff time and expertise. The service is currently exploring use of the Trading Standards volunteers to take over some of this work.
- 2.5 The units are set to block calls according to the needs of the resident. In the majority of cases, a block is placed on all international calls and a screening message takes care of other incoming calls. For the most vulnerable, a block is placed on all incoming calls except for trusted numbers which are input into the unit by Trading Standards. An answerphone message is recorded directing blocked genuine callers to a family member. We currently have one victim without any family support whose phone is directed to Trading Standards.
- 2.6 trueCall produce a report on the results of the call-blockers being used in Hertfordshire using figures derived from the units themselves which they are able to monitor. The report shows the proportion of calls being blocked, along with information about the telephone numbers that are calling, including whether the calls are from overseas. Call-blockers are particularly useful in identifying scam companies as Trading Standards are able to block calls for residents whilst still monitoring activities carried out by the scammers.
- 2.7 To date, 84 units have been installed free of charge for vulnerable Hertfordshire households since 2014. 50,508 nuisance calls were received by these residents, of which 50,138 were blocked. Those using the trueCall units received on average 43 nuisance calls per month. Ofcom say the average across the UK is 18 per month, so it is clear that these residents were particularly affected. 50% of the calls the residents received were nuisance calls, with 24% of these being from overseas.
- 2.8 The costs for the call-blockers to date has been £8,400. Using trueCall calculations it is estimated that the savings to date are in excess of £135,000 – a payback of 16 times the cost of the project. Over a five year period, trueCall calculations provide estimates that the savings will amount to in excess of £530,000 – a payback of 64 times the cost of the project. The calculations to achieve these figures are explained further in the financial section of the paper.
- 2.9 Hertfordshire Trading Standards is one of a few trading standards departments in the country that carries out this work. We are the only authority who sets up free caller display for residents in order to maximise take up for our victims. Partner agencies make referrals to Trading Standards in the knowledge that clients will be supported and kept safe from future scams and the success of these arrangements in recent years provide strong evidence to that effect.

### **3. Recommendation**

- 3.1 The Community Safety and Waste Management Cabinet Panel note the report and affirm their support for the Call-blocker work and endorse that this work should continue within this Authority, to support the county's most vulnerable residents.

### **4. Background**

- 4.1 Telephone scams are a form of 'Mass Marketing' scams which promise to deliver a service or a product that is of high quality but actually deliver a lower quality service or product than originally advertised or fail to provide the service or product advertised all together. The fraudsters often persuade the victim to buy a product or a service they do not require by using forceful and intimidating sales techniques.
- 4.2 The most common methods of Mass Marketing scams are telephone, postal and email. The National Fraud Authority reported that many perpetrators of Mass Marketing scams operate outside of the UK, in countries such as Spain and Canada where the sentencing for such things maybe significantly lower. Consequently fraudsters often pursue victims for small amounts of money, in order to avoid detection by authorities. Perpetrators of Mass Marketing scams are often involved in other criminal activity using the funds from UK victims to fund their lifestyles. Where the victim's money is being transferred to foreign bank accounts it is a difficult task for the authorities in the UK to arrest and punish the perpetrators.
- 4.3 Consumer Phone Scams reports taken by Action Fraud between January 2015 and December 2016 saw an increase in reports by 81%. Many phone scams cold call or text the victim often impersonating bank staff and try to obtain bank details. This includes victims PIN numbers by stating there is a problem with their account, such as unusual activity on the account. They then ask them to confirm their bank details before they can release any details of this unusual activity. Fraudsters are constantly finding new ways of scamming people with new technology making it harder for authorities to stay one step ahead.
- 4.4 The Telephone Preference Service (TPS) is one method that people can use to control phone calls. It is a service run by the Direct Marketing Association (DMA), and stops the person's telephone number being available to organisations, including charity and voluntary organisations, who may telephone them with sales or marketing calls.

- 4.5 A call blocker is a unit that filters incoming telephone calls. It allows trusted callers to come through, blocks unwelcome callers so that the telephone does not even ring, and asks unrecognised callers to identify themselves before it puts them through. International calls, where the majority of scam calls originate, can also be blocked.
- 4.6 Setting up the majority of the units involves a simple international block. However, for about a third of our victims who are very vulnerable, mainly as a result of dementia or because they are being targeted by scammers, all numbers are blocked except for trusted numbers. This involves entering the phone numbers of trusted family, friends and other numbers as required. The trading standards officer then records an answerphone message for any genuine caller who is so blocked, asking them to call a family member so that they may pass that message on. One of our very vulnerable victims who is living with dementia and is being targeted by scammers, has no family support and as no other agency agreed to take on the responsibility of dealing with genuine callers, those callers are asked to contact trading standards.
- 4.7 On the units set with an international block scammers calling from the UK can still get through by pressing a button after a screening message and following instructions. The screening message prevents the majority of automated scam calls, as scammers aren't listening to a message and following the instructions. Monitoring of the telephone numbers who are still calling takes place to identify which ones are scams. trueCall hold data of all the calls for the units, and Trading Standard Officers are able to access this trueCall data by agreement. A simple 'who calls me' check is carried out to identify what the numbers are. Those scam numbers can then be blocked and for the future, all the scammers will hear is a dead line, so they stop trying that number and the total number of calls made to the resident starts to decrease. The agreements with both trueCall and residents are currently being updated to ensure compliance with the forthcoming General Data Protection Regulations (GDPR).
- 4.8 Monitoring can also flag up behaviours of the resident themselves, such as constantly calling the speaking clock and making repeated calls to international callers when there are no family or friends known abroad. These are all issues that have been reported to family members who are supporting the residents with these units. Blocks on specific outgoing calls have been carried out for victims with dementia to help keep them safe from huge telephone bills and scams.

- 4.9 Additionally in terms of savings for residents, Trading Standards makes direct contact with the phone provider e.g. BT or Virgin Media, in order to set up caller display free of charge for the first 12 months. The call-blocker unit needs this feature in order to recognise the numbers coming through and which ones to block or allow. Most phone providers make a charge for this feature of between £2.50 and £4 per month. Those charges increase to as much as £6 per month in respect of 'choose to refuse' a blocking feature offered by BT in respect of anonymous calls. Trading Standards assistance in removing those charges and dealing direct with phone providers whilst in resident's homes, helps to save vulnerable residents money. There are however increasing numbers of phone providers who won't work with Trading Standards in providing this service for free. Work will be carried out this year with such companies so that call-blockers can be installed without the fees for caller display.
- 4.10 The work in this area by Trading Standards is currently carried out by Trading Standards staff. The Service is looking to engage Trading Standards volunteers to work on this project, so that more regular contact may be established with recipients of these units and thus we will be more likely to pick up when units have been disconnected. The volunteers can also be used to pick up those units and then install them into other victim's homes.

## **5. Benefits to consumers of Callblockers**

- 5.1 trueCall, one of the companies who produce and supply call blockers have produced a calculation on the cost benefits of using call-blockers. The formula is:

(Number of nuisance calls received) x  
(Proportion of nuisance calls that are scams) x  
(Proportion of scam calls blocked by trueCall) x  
(Likelihood of falling for a scam phone call) x  
(Average amount lost to the scam)

- 5.2 Whilst it is easy to identify nuisance calls, it is more difficult to identify scam calls. Analysis of OFCOM data suggests that across all call types that 21% of nuisance calls are likely to be scams. The call types identified as nuisance calls include those about giving money to good causes, and calls offering loans. Obvious scam calls include Microsoft scams, banking detail scams, password request scams and accident claim scams.

- 5.3 While trueCall units block 95%+ of nuisance calls, scam calls are more difficult to block. The National Fraud Intelligence Bureau provided a list of 100 scam calling numbers, and 20 of these had made 114 calls to trueCall customers. In these 114 calls, the scam caller had only spoken to the trueCall user on 12 occasions – i.e. trueCall units prevented 90% of scam calls getting through.
- 5.4 Microsoft have reported that 17% of Microsoft scam calls result in a loss of money: ‘Of those who received a call, 22 % were deceived into following the scammers’ instructions, which ranged from permitting remote access to their computer and downloading software code provided by the criminals, to providing credit card information and making a purchase. The vast majority (79 %) of people deceived in this way suffered some sort of financial loss’.
- 5.5 The money lost to a scam is estimated by trueCall to be an average of £845. From our experience, this is an under estimate. One of our recent call-blocker recipients has lost hugely more than this amount to a wine investment scam plus many more monies to vitamin scams and various solar panel scams. The National Scams Team estimates from the national work on scams that the average loss to a scam call is £2000.
- 5.6 Scamming often causes additional health and social care costs for the victim, and call-blockers can prevent immediate health costs, residential care costs and reduced demand on providers of social care.
- 5.7 It is generally accepted that being the victim of a crime often causes physical and mental health problems – research in the UK and USA showed that 29% of scam victims suffered a major depressive episode in the 20 months following the fraud (with some experiencing suicidal thoughts) compared with only 2% of non-victims. In addition, 45% suffered a generalised anxiety disorder, compared with 15% of non-victims.
- 5.8 There can also be a ‘domino effect’ where the losses to a scam, result in subsequent catastrophes e.g. the loss of a home, difficulty in paying debts and taxes. The amount of financial loss to a scam also often outweighs by far, any other monetary losses as a result of crime. For some of our victims, their financial loss is limited only when their money runs out, as scammers can be prepared to take everything that those victims have.

- 5.9 The Personal Social Services Research Unit identifies 5 levels of social care need, and the costs of providing this care.

Social care cost per year:

£4,264	Very low
£10,764	low
£17,004	medium
£44,044	high
£51,376	Very high

It is estimated from research, that a quarter of older vulnerable people who are scammed move up one level of social care for one year.

- 5.10 84 trueCall units have been supplied by Hertfordshire Trading Standards since 2014. These are receiving an average of 43 nuisance calls per month. 50,508 nuisance calls in total have been received by these residents since 2014, with 50,138 calls being blocked.
- 5.11 Over the five year life of these units – at the current rate – in excess of 200,000 nuisance and scam calls will have been received by these units.
- 5.12 trueCall units to date have blocked 9,546 phone calls identified as scams, and prevented 53 scams being successful. It is estimated that this has saved vulnerable Hertfordshire households in excess of £45,000 and led to over £90,000 reduction in social care and other costs to the public purse.
- 5.13 Assuming that each unit installed to date stays in use for 5 years, using the trueCall calculation above it is estimated that:
- 226 scams will be prevented
  - Vulnerable individuals will be saved £192,270
  - The NHS and care services will save £383,404
  - Total gross savings £575,674
- 5.14 trueCall call blockers normally cost £155 per unit, which includes 5 years access to the control panel for the unit (1 year free, plus 4 years paid for). In Hertfordshire, we have made the decision not to pay for additional access after the first free year, as it has been found that any issues usually appear within the first year of use, which is when changes can be made to the unit. As such, the cost currently paid in Hertfordshire per unit is lower at £100 per unit.
- 5.15 Trading Standards staff time in installing the units, monitoring the calls still trying to get through and travelling to resident's homes are calculated at approximately £7500 per annum.

- 5.16 Using the above figures, as the cost of the equipment stays the same at £8,400, the total net savings of £538,174 over 5 years will be 64 times the cost of the project (Savings £575,674 less staff resource of £37,500 = £538,174).
- 5.17 Although an assumption of savings over 5 years has been made, due to the usually elderly age of the residents for which we install these units, it has been the case that some residents pass away or have to move into nursing or care homes within a short time.

## **6. Financial Implications**

- 6.1 There are no financial implications associated with this report.

## **7. Equalities Implications**

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 7.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 An EqIA has not been undertaken in relation to the provision of Call-blockers to scam victims. Currently they are available across the county, to anyone who is or has been a victim of telephone scams and who it is judged is likely to fall victim again. Units have been placed as a result of enforcement work which identified scam victims, referrals from Adult Care Services professionals, professional carers, family members and victims themselves.

## **Background Information:**

True Call Website : <https://www.truecall.co.uk/>



## **Appendix 1**

### **Example of Call-blocker Record excluding the telephone numbers and name(s) associated with the numbers which have all been redacted.**

N.B. In one week, there were no genuine calls received and all of these calls were rejected. The victim cannot make outgoing calls herself; the only ones were made by social workers during a visit.

Date	Type	Duration
01/03/2018 10:42	Incoming	00:00:35
01/03/2018 14:29	Incoming	00:00:12
01/03/2018 14:56	Incoming	00:00:14
01/03/2018 16:10	Incoming	00:00:09
01/03/2018 18:33	Incoming	00:00:08
02/03/2018 10:47	Incoming	00:00:05
02/03/2018 10:57	Incoming	00:00:11
02/03/2018 12:32	Incoming	00:00:06
02/03/2018 13:33	Incoming	00:00:08
02/03/2018 17:47	Incoming	00:00:10
02/03/2018 19:50	Incoming	00:00:04
03/03/2018 15:30	Incoming	00:00:05
03/03/2018 18:00	Incoming	00:00:11
04/03/2018 04:38	System	00:00:00
04/03/2018 13:18	Outgoing	00:00:59
04/03/2018 13:58	Outgoing	00:01:28
04/03/2018 14:34	Outgoing	00:01:15
05/03/2018 14:17	Incoming	00:00:05
05/03/2018 17:19	Incoming	00:00:05
05/03/2018 19:38	Incoming	00:00:05
06/03/2018 15:07	Incoming	00:00:04
06/03/2018 15:58	Incoming	00:00:05
06/03/2018 16:27	Incoming	00:00:06
06/03/2018 16:57	Incoming	00:00:04
07/03/2018 09:17	Incoming	00:00:04
07/03/2018 09:18	Incoming	00:00:04
07/03/2018 11:13	Incoming	00:00:23
07/03/2018 11:41	Incoming	00:00:04
07/03/2018 14:20	Incoming	00:00:04
07/03/2018 15:12	Incoming	00:00:05
07/03/2018 16:19	Incoming	00:00:32
07/03/2018 18:08	Incoming	00:00:06
08/03/2018 10:33	Incoming	00:00:04
08/03/2018 12:09	Incoming	00:00:59
08/03/2018 13:23	Incoming	00:00:05
08/03/2018 17:47	Incoming	00:01:04

08/03/2018 17:59 Incoming 00:00:05