



Response to be sent to financial.coldcallingban@hmtreasury.gov.uk by 27 September 2023.

This response is being sent on behalf of The Chartered Trading Standards Institute (CTSI) and has been compiled by:

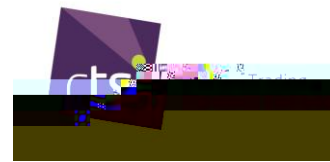
Louise Baxter, CTSI Lead Officer for Consumer Advice and Consumer Education
Steve Playle, CTSI Lead Officer for Energy, Smart Meters and Climate Change
Katherine Hart, CTSI Lead Officer for Doorstep Crime, Scams and Consumer Vulnerability
Dr Tim Day, CTSI Lead Officer Scams and Consumer Vulnerability
Sylvia Rook, CTSI Lead Officer for Fair Trading and Trade Descriptions

Founded in 1881 (as the 'Incorporated Society of Inspectors of Weights and Measures'), today's Chartered Trading Standards Institute (CTSI) is one of the world's longest-established organisations dedicated to the field of Trading Standards and Consumer Protection. And, after more than 140 years of progress, we remain immensely proud of our close association with the Trading Standards profession and the vital work it continues to do – promoting fair business practices, tackling rogue traders and, ultimately, protecting UK consumers.

At CTSI and through the trading standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety, and wellbeing of citizens through empowering consumers, encouraging honest business, and targeting rogue practices.

We provide information, guidance and evidence-based policy advice to support local and national stakeholders including central and devolved governments. CTSI is responsible for business advice and education in the area of trading standards and consumer protection legislation, including running the Business Companion service to provide clear guidance to businesses on how to meet their legal and regulatory obligations. CTSI is also responsible for the Consumer Codes Approval Scheme which facilitates high principles of assisted self-regulation through strict codes of trading practice. This ensures consumers can have confidence when they buy from members of an approved scheme and also raises the standards of trading of all businesses that operate under the relevant sector's approved code.

We run training and development events for both the trading standards profession and a growing number of external organisations. We also provide accredited courses on regulations and enforcement.



By providing a ban to all cold calling on financial services and products, this will allow a very clear message to all consumers that any calls relating to financial services are scams and illegal. This will stop all legitimate callers from selling these products via cold calls and any callers making these calls are criminals.

A couple of case studies illustrating the harm to consumers below:

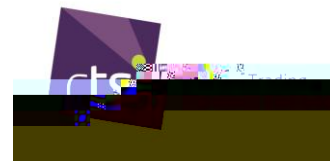
Case Study A

- Large-scale fraud relating to domestic appliance repair cover plans
- Criminals have obtained details of thousands of vulnerable/elderly victims
- Criminals using forceful dialogue to trick victim/s into providing personal details
- This victim has been targeted on multiple occasions
- Thousands of pounds have been lost
- Victim is lacking mental capacity or cognitive ability
- Victim has lost the ability to defend themselves

Case Study B

- Adult social care received a referral from a housing officer
- Concerns around the number of direct debits taken from victims' bank account
- Trading standards officer met with the victim in the autumn of 2021
- Direct debits appeared to be for insurances on household goods and maintenance contracts
- Victim appeared to understand but couldn't remember if they had received any phone calls or letters relating to these contracts/household goods
- Victim agreed to being accompanied to the bank by the TS officer to speak with them
- Victim was referred to adult social care for a safeguarding visit
- TS Investigator confirmed that the individual could well be a victim
- Victim was visited again in the autumn of 2022 for a welfare check
- Victim agreed they would visit the bank in the autumn of 2022 but cancelled due to not feeling well
- Concerned for the victim's welfare, the TS officer attended the address again where a relative confirmed that the victim was in hospital
- In early winter 2023 it was confirmed that the victim had died

In relation to current trends with investment fraud, dealt with by a law enforcement partnership in the City of London which includes Trading Standards, there now seems to be less emphasis on telephone cold calling. The business model now involves criminals or associated lead generators



cold-calls, which many people regard with cynicism. However, I recognise in practice this may be difficult to enact without being overly restrictive.

We are not aware of any existing safeguards that may be in place. General experience is that social media platforms do not take their role as enablers of crime very seriously at all, and Government are not robust enough in designing legislation to control social media activities.

We are aware that many scams originate on social media and are largely unchallenged. Financial scams can have a huge impact on consumers and many vulnerable individuals are particularly susceptible to social media voice and video calls. The Online Safety bill doesn't appear to take this into consideration. Facebook offers reporting services but often don't react to consumers. Platforms such as Facebook and Tiktok are enablers and don't do much in the line of due diligence. We know also have to take cognizance of the A.I and deep fake scams that use fake voice accounts and imaging to endorse products. To the extent that there are, or may be, it is clear from the amount of fraud and levels of loss originating from social media platforms that they aren't effective.

We have not seen a huge number of reports concerning door-to-door financial services sales. However, if we ban cold calling for all other communication methods, you could end up pushing it to the doorstep. It could be an unintended consequence of changing the law so we believe a blanket ban on all methods of cold calling is a better idea.

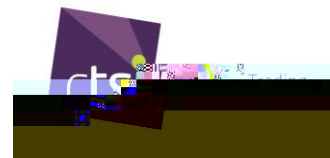
Door-to-door marketing still takes place but is probably associated more with green energy initiatives (solar panels, heat pumps, etc.) where finance is offered to allow consumers to purchase products. Door-to-door selling of financial products predominantly happens in areas of social deprivation, where loan sharks thrive. A blanket ban is necessary to ensure the issue doesn't merely migrate to face-to-face/doorstep selling to avoid the ban.

See question 5.

For many years, TS have promoted 'No Cold Calling Zones' with varying degrees of success. Preventing cold calling on the doorstep requires appropriate resources to enforce and monitor such a ban.

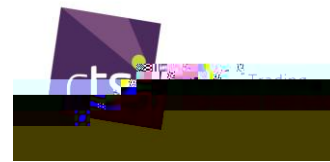
This could create a strict liability offence, easier to enforce if there is no grey area about canvassing and selling – the cold call ban should include any service at consumers' houses.

Misleading flyers and letters coming through the door and telephone calls to landlines.



Yes, again this would be a way criminals could diversify and avoid the ban. Not only would it be easy to avoid the ban without it being all-encompassing, but it dilutes the message to consumers if there are exceptions and exemptions and makes prevention and protection messaging difficult, confusing, and far less effective. Consistency is needed. We saw issues with Claims Management companies in Scotland; they are not regulated by the Ministry of justice here.

Numerous consumers nationally were receiving unsolicited telephone calls from entities offering "white goods" electrical and home breakdown cover plans (most of which were non-insurance backed and as such avoided FCA scrutiny) to victims. The methodology was to contact a consumer and through aggressive and persistent engagement to obtain bank details and enrol the consumer into these plans (to date our enquiries have revealed that no claims appear to have been paid to consumers contacted by the team). The entities then target the individuals with repeated contact and charges for duplicate or non-existent cover plans. Of the victims visited all have been targeted multiple times. One individual had 58 different plans, and another had 23 plans and was living in



consumer is initially engaged regarding " their appliance insurance" , which often solicits a positive reply. The caller then manipulates this from the training. They use phrases designed to cause panic, immediate decision making, and ideas of a " bargain" . Often calls can become threatening.

Artificial intelligence and social engineering technology is being used to engage and obtain higher returns from potential victims. Fraudsters are using a number of advanced, but readily available technologies to target consumers. This includes auto-dialling technology which is linked to AI. The recipient of the call receives a realistic voice which is computer-generated and dependent on answers then engages with the victim. Once a level is attained the software transfers to a live call handler to engage using the social engineering techniques as above.

The ban should cover all of the above. I'd like it to be broadened to encompass home repair/improvement works (including retro-fitting and green energy) as well, where significant consumer harm continues.

No – creating exceptions would cause confusion and potential loopholes. Only a blanket ban creates certainty with consumers and law enforcement alike. Anything else becomes overly complicated and difficult to enforce.

No exceptions. Otherwise, the illegitimate companies will simply state they're FCA authorised. Or they'd copy-cat legitimate businesses with similar-



There needs to be ring-fenced resources to monitor/enforce a ban along with a communication strategy so consumers understand that cold calling is illegal. Just because cold calling is illegal doesn't mean it will stop, particularly if calls originate from outside the UK.

The Scottish Government/Consumer Scotland absolutely needs to be on board with this and show a unified approach, not amendments or exceptions.

Publicity for this matter will be key, including engagement on online platforms.

Clear and concise messaging, with significant penalties in order to act as a meaningful deterrent (in addition to additional funding to ensure enforcement is practicable).

Relevant and timely.

Call to action.

Law enforcement needs to have BT to call legitimate (y-3(.)) (o)-5(adddisru)3(d)3(latt(c)-5(o)-5(ld)(m)-4(u)3(n)3(icati)12(o)-5(

