

# City of London Corporation Committee Report

<b>Committee(s):</b> 1) Port Health & Environmental Services Committee (For Information) 2) Health & Wellbeing Board (For Information)	<b>Dated:</b> 1) 22/07/2025 2) 19/09/2025
<b>Subject:</b> Trading Standards Team update	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> </ul>	<ul style="list-style-type: none"> <li>• Providing Excellent Services</li> <li>• Vibrant Thriving Destination</li> <li>• Dynamic Economic Growth</li> <li>• Diverse Engaged Communities</li> </ul>
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Katie Stewart, Executive Director Environment
<b>Report author(s):</b>	Steve Playle, Trading Standards Team Manager

## Summary

Trading Standards are a small team within the City of London and based at Guildhall. The team sits within the Port Health & Public Protection division of the Environment Department. They are responsible for enforcing a range of consumer protection legislation. In carrying out its role, the team works in partnership with many other enforcement bodies and organisations. The team protects the reputation of the Square Mile, especially in relation to the issue of investment fraud.

## **Recommendation(s)**

Members of the Port Health & Environmental Services Committee are asked to:

- Note the report

Members of the Health & Wellbeing Board are asked to:

- Note the report

## **Main Report**

### **Background**

1. The team structure currently consists of a full time Trading Standards Manager, 3.1 FTE Trading Standards Officers, 1 FTE Regulatory Compliance Officer, and an externally funded 0.4 FTE Intelligence Officer.
2. The primary objective for Trading Standards is to protect consumers and deal with businesses that break consumer protection law. By creating a level playing field, it helps to ensure that reputable businesses can thrive.
3. The main route into contacting Trading Standards is via the Citizens Advice Consumer Service. This is a national service which is funded by the Department for Business and Trade (DBT) and results in around 2,800 complaints and enquiries every year. The majority of these service requests come from consumers who live outside the City but who have issues with businesses based inside the City. Trading Standards can also be contacted through the City of London Corporation Contact Centre, via email and the occasional personal caller.
4. The team reviews each complaint, and they are triaged, working on an intelligence-led basis. If large numbers of enquiries are being received about particular businesses, these will be allocated to a Trading Standards Officer for investigation and action. Priority areas for the team are complaints that involve vulnerable consumers and issues concerning product safety.

### **Current position**

5. The levels of investment fraud in the UK are of significant concern and continue to rise. Latest available data shows that in 2024, victims in the UK lost £649 million however, much investment fraud is under reported, normally due to the shame and embarrassment of the victims who quite often don't tell family members about what has happened to them. Operation Broadway was set up in 2014 to try and disrupt investment fraud. Operation Broadway is chaired by the City Corporation's Trading Standards Manager and includes representatives from City of London Police, National Fraud Intelligence Bureau, the Financial Conduct Authority, HMRC, Companies House, National Crime Agency, the Pensions Regulator and the Insolvency Service. Meetings are held every two weeks to discuss the latest intelligence about incidents of investment fraud,

relying heavily on reports from victims. Trading Standards led inspections take place at premises of concern to disrupt activities.

6. A 'boiler room' is the term used to describe an office location staffed by commission hungry sales representatives who are often trying to off load unregulated investment products that are overpriced and often misdescribed. Finding an active 'boiler room' in the City is now rare but disruption normally takes the form of suspending websites and disabling telephone numbers. Many investment fraudsters pretend to have a City based address as part of the overall deception and so the work of Trading Standards is vital to protect the reputation of the Square Mile.
7. Trading Standards have developed excellent working relationships with serviced office providers in the City, including most of the iconic buildings who are targeted for their prestigious addresses. There are also around 90 mail forwarding providers in the City, who have traditionally been used to provide a legitimate base which creates an illusion of respectability. A robust approach is taken with the enforcement of the London Local Authorities Act 2007 which regulates how they can conduct their business, and the service now has an excellent working relationship with the mail forwarding industry and attend regular meetings with representatives from this sector.
8. The relationship between Trading Standards and the City of London Police is very good. Trading Standards have given assistance with Police prosecution cases, providing important evidence from historic Operation Broadway inspections. The Police also approach Trading Standards when they need assistance in taking down fraudulent websites.
9. Of particular concern to Trading Standards is the impact of investment fraud on the victims. Regular reports are received where victims have lost life changing sums of money, and everything is done to help them. A mandatory scheme called the Contingent Reimbursement Model came into force in 2024 which allows fraud victims to claim their losses back from their bank where the bank has not taken reasonable steps to prevent funds being transferred to criminals. Officers provide step by step help to victims on how they should deal with their bank in seeking redress. The weakest point in any fraud is where the money changes hands which means that the banks are key players and have important responsibilities in the fight against fraud.
10. Trading Standards have developed skills in dealing with investment fraud victims and have very difficult conversations with them. Often, the victim has told nobody else, and part of the task is to get them to start talking. Losing life changing sums of £50,000 plus is sadly becoming more common and, on occasions, the team will refer victims to their Local Authority Adult Services Department where we have concerns about their mental health and wellbeing.
11. Trading Standards Officers also deal directly with those businesses that Operation Broadway identifies for disruption. At the end of 2024, there were two cases where direct involvement resulted in refunds of £48,000 and £14,000 for the victims. Recently, a case investigated by Trading Standards concerning

holiday accommodation investments has progressed into a full-scale criminal inquiry led by City of London Police, involving losses of £15 million or more affecting around 200 individuals.

12. In a recent case further illustrating the value of Operation Broadway, a visit to a suspected 'boiler room' resulted in the identification of a list of 650 prospective victims. Each of these individuals will now be contacted and provided with comprehensive guidance on recognising and avoiding investment fraud. Whilst the nature of such fraudulent schemes continues to evolve, there has been a notable increase in those involving whisky cask investments, and, more recently, art investment ventures.
13. Alongside ongoing work on investment fraud, Trading Standards are also tackling issues related to the sale of vaping products, which have seen a surge in popularity. Originally developed as a less harmful alternative to smoking tobacco, vaping has grown rapidly over the past five years, and this is now a significant national concern, particularly due to its appeal among young people, driven by child-friendly designs and flavours. While strict legislation exists to ensure vape safety, the UK market continues to see a high volume of non-compliant products. Trading Standards are working under a service level agreement (SLA) with the City and Hackney Public Health Team and also play an active role in the Tobacco Control Alliance.
14. On 1 June 2025, new legislation to ban the supply of single-use vapes came into force and Trading Standards Officers have been working closely with retailers in the City to ensure compliance. This Committee (PHES) granted delegated powers to add this legislation to the list that Trading Standards can enforce. Further legislation next year will see a ban on the child appealing flavours and designs and introduce a licensing regime for retailers that wish to sell vapes and tobacco products.
15. Through analysis of the complaints that are received, priority areas of work are identified for the team. One area that is a cause for concern is the safety of consumer products, particularly electrical goods, toys, personal protective equipment and cosmetics that are sold by some of the major online platforms who have registered addresses in the City. Current safety legislation doesn't go far enough to address the risks posed by these platforms. However, it's hoped that the Product Regulation and Metrology Bill, due to pass through Parliament this year will help close the gap. In the meantime, Trading Standards have been tackling a variety of unsafe products, removing them from sale and encouraging platforms to issue product recalls. One such case involved a shower head that was completely incompatible with certain domestic plumbing systems, delivering water at a dangerous temperature of 80°C.
16. Another example of this work has been the identification of a major online retail business with a head office in the City that has been generating large numbers of complaints for consumers right across the UK. This business was reluctant to engage but working in partnership with TrustPilot, Trading Standards managed to open communication channels which has resulted in a reduction in complaints

and a direct intervention to resolve at least 30 complaints.

17. While the City has relatively few residents, the team often goes the extra mile to assist when consumer complaints are received. A recent case involving a Barbican resident and a dispute over a wooden flooring contract was successfully resolved, with Trading Standards acting as an arbitrator to help mediate a fair outcome.
18. There are many food business operators in the City and, a project was conducted to check on the operation of the food hygiene rating scheme. Although there were only a couple of examples of businesses displaying a higher rating than they were entitled to on their premises, the project highlighted the fact that many food businesses with ratings of 3 or less were hiding this from customers. Although there is no legal requirement for ratings to be displayed, the evidence from the project has been fed back to the Food Standards Agency who will be using it to strengthen the call for the law to be changed in this area.

### **Corporate & Strategic Implications**

19. Strategic Implications None
20. Financial implications - None
21. Resource implications - None
22. Legal implications - None
23. Risk implications - None
24. Equalities implications – None
25. Climate implications - None.
26. Security implications - None.

### **Conclusion**

27. Trading Standards team within the City of London is a small but highly specialised unit responsible for enforcing a broad spectrum of legislation designed to safeguard consumers. Owing to the statutory powers vested in this service, Trading Standards is often able to exert influence over business practices. This, in turn, enhances the effectiveness of collaborative working arrangements with partner organisations.

## **Appendices**

- None

## **Background Papers**

None.

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