

**BIRMINGHAM CITY COUNCIL**

**REPORT OF THE DIRECTOR OF REGULATION AND ENFORCEMENT  
TO THE LICENSING AND PUBLIC PROTECTION COMMITTEE**

**15 MARCH 2023**

**ALL WARDS AFFECTED**

**Birmingham City Council hosted  
National Trading Standards Regional Investigations Team (Central England)**

**1. Summary**

- 1.1 This report provides an update on the work of the National Trading Standards Regional Investigations Team (Central England) (RIT), hosted by Birmingham City Council's, Regulation and Enforcement Division.

**2. Recommendation**

- 2.1 That the report be noted.

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Originating Officer: Phillip Page, Operations Manager (RIT)

### **3. Background**

- 3.1 The grant funded project was initially piloted in 2006. At that pilot stage there were 3 teams, one based within Central England (CEnTSA), one in the North East (NETSA) and the third team covering London, the South East and East Anglia (TRS). The CEnTSA Team was hosted at that time by Solihull MBC on behalf of the Region.
- 3.2 The Teams were formed following a Government White Paper on consumer protection in which it was identified that Regional Investigation Teams might be better placed to tackle certain offending. The rationale was that certain perpetrators did not simply operate within local authority boundaries, but instead would affect consumers across multiple authority areas.
- 3.3 The three teams were set up to run a 2 year pilot project. At the end of that trial period, and following the success of the 3 teams, funding was made available to extend the project across all Regions, including Scotland, from 2008 for a 3 year period.
- 3.4 Since 2011, funding has been on an annual cycle, and has varied from between £250,000 and £320,000 per year. The amount expected for 2023-24 is £334,000.
- 3.5 Since May 2013, the CEnTSA RIT has been hosted by Birmingham City Council.
- 3.6 The CEnTSA RIT operate across the Region using legislative powers under The Consumer Rights Act 2015.
- 3.7 The RIT work in conjunction with both NTS and the 14 local authorities that make up CEnTSA. The RIT receive their work via a formal tasking process, introduced as part of the Intelligence Operating Model (IOM). Whilst work can be tasked down by NTS, the vast majority of work is tasked to the Team by one or more of the 14 local authorities within CEnTSA.
- 3.8 The RITs operate differently across the country.
- 3.9 One Team provides officers to support more complicated investigations taken on by local authorities in its area. This methodology has also been introduced by the CEnTSA RIT to assist local authorities. These officers support the investigation, but the responsibility for the investigation lies with the local authority concerned.
- 3.10 Other RITs conduct the investigation themselves but then pass the prosecution file back to the originating authority to consider legal proceedings, and that local authority bears the costs of that prosecution, should it go ahead.
- 3.11 In most cases within CEnTSA, the RIT take on the case and then put any prosecution files that may follow through Birmingham City Council. This is

paid for through the annual grant. For this reason, a significant amount of the annual funding is allocated to, and used up on, legal costs.

- 3.12 The RIT, therefore, is small in staff numbers, currently comprising only 2 'core' members of staff but with those numbers bolstered on an 'as needs' basis with experienced investigators employed through agency. Typically, such agency staff are retired police officers with all of the necessary skills in conducting investigations. The Team have also recently made use of a 'managed service' provided through Red Snapper where the initial statement gathering is outsourced to provide an initial impetus to the investigation.
- 3.13 Cases are referred to the Team because intelligence shows that a trader is having a negative impact upon consumers within the Region. In most cases, the trader will also be based within CEnTSA but also, in most cases, consumers affected will be from much further afield than just CEnTSA.
- 3.14 Most of the intelligence used to identify 'problem' traders comes from access to the Citizens Advice complaints database. Citizens Advice now act as the 'front line' for providing consumer advice and for flagging issues of concern to Trading Standards through the Citizens Advice Consumer Service (CACS) reporting line (0808 223 1133).
- 3.15 Trading Standards have access to the CACS portal and can run a variety of reports to assist in identifying potentially problem traders.
- 3.16 The Regional Intelligence Analyst (RIA) based in Warwickshire Trading Standards produces a Tactical Assessment (TA) every 6 weeks. This TA will, amongst other things, highlight traders of possible concern to the Region as well as potential emerging threats.
- 3.17 The purpose for the CEnTSA RIT is to investigate traders and to ascertain whether there is evidence to show that they are acting contrary to any consumers protection legislation. If they are, then, depending on circumstances, a full investigation can follow including warrants, interviews under caution and prosecutions.
- 3.18 The investigative powers for the RIT come through The Consumer Rights Act 2015, a piece of legislation which, amongst other things, amalgamated investigative powers from disparate pieces of legislation into one set of investigative powers.
- 3.19 The 'core' offences considered by the RIT are typically contained within the Consumer Protection from Unfair Trading Regulations 2008, but there are, in addition, a host of other potential offences that are regularly included within case files, including offences under the Fraud Act 2006, Companies Act 2006, Proceeds of Crime Act 2002 and the Trade Marks Act 1994.
- 3.20 Since 2019, the Team has had additional funding from National Trading Standards to conduct Operation Beorma, which is an investigation into the trading activities of assorted Midlands based individuals involved in the manufacture, importation, wholesale and retail supply of counterfeit goods,

including clothing, footwear, electrical goods, perfumes and accessories. This funding has supported an officer on secondment from Birmingham Trading Standards as well as additional agency staff.

#### 4. **Operation Updates**

- **Operation Coffee –**

This has previously been reported on and is now concluded. The two defendants did eventually satisfy the POCA order, paying back £424,560, the majority of which was paid back in compensation to victims.

- **Operation Swarm –**

Again, previously reported on, although sentencing had not taken place at that time. The main defendant, Adrian Hillman, was sentenced to 5 years imprisonment and banned from being a company director for 8 years. His wife, Rebecca Hillman, was sentenced to 30 months imprisonment and banned from being a company director for 6 years. The third defendant, Philip Farrington, was given a 21 month sentence, suspended for 2 years. He also received a ban from being a director for 4 years. The company operated by the Hillmans, Energenie Shield UK Ltd, received a fine of £8000.

POCA and costs payments totalling £106,899.22 were received, the majority of which were paid back to the victims as compensation.

- **Operation Beorma**

We have suffered in the court system over the last couple of years as the majority of our trial dates for cases have been vacated by the court due to backlogs caused by the pandemic. We have, however, had two matters dealt with at Birmingham Crown Court.

**Inderjit SANGU** – Mr Sangu was a Birmingham based manufacturer operating a factory in the B18 area of Birmingham. He had been caught following the development of intelligence from other Beorma enforcement exercises. He pleaded guilty to offences under The Trade Marks Act 1994 and was sentenced to 4 years imprisonment. On appeal, this was reduced to 3 years and 4 months.

He was also ordered to pay back £75,000 in POCA payments, and this money has now been received.

**Usman SIKANDER and Wasim MEHMOOD** – Units linked to Mr Sikander were raided on three separate occasions and significant quantities of counterfeit products seized. On the third occasion, it was apparent that Mr Mehmood was also involved with him and had, in fact, been the person who had rented that particular unit. Mr Sikander was supplying counterfeit clothing via online platforms such as Gumtree, and was either sending the goods out via a courier company or supplying directly from his unit.

Mr Sikander was sentenced to 12 months imprisonment, suspended for 2 years, with an order for 20 days of rehabilitation and an electronic curfew for 3 months. He was also disqualified from being a company director for 7 years.

Mr Mehmood was sentenced to a community order of 12 months, with a rehabilitation order of 25 days and ordered to do 50 hours of unpaid work.

Mr Sikander was ordered to pay back £25,000 within 3 months, with a default sentence of 9 months

Mr Mehmood was the subject of a nominal £1 POCA order.

### **Other matters**

We also received a further POCA payment of £36,523 following a 're-visit' to one of the individuals convicted in an earlier case, Operation Orange.

## **5. Implications for Resources**

- 5.1 The RIT is grant funded and therefore all costs for the service are recovered through this provision.

## **6. Implications for Policy Priorities**

- 6.1 Enforcement action taken against dishonest traders protects not only affected consumers and potential future victims but also can help to protect legitimate traders. This can assist with achieving the following Corporate Priorities
- Priority 1 – inclusive economic growth by creating a level playing field for honest businesses to thrive
  - Priority 9 – helps to make the city safer and free from crime
  - Priority 10 – helps to protect and safeguard vulnerable consumers
  - Priority 16 – improve outcomes for older people
- 6.2 Often our victims are members of the most vulnerable groups and therefore enforcement action helps to protect many that often cannot help themselves.
- Priority 5 – helps to tackle inequality
  - Priority 9 – helps to make the city safer
  - Priority 10 – protect and safeguard vulnerable citizens
- 6.3 Prosecution of dishonest traders protects consumers and opens opportunities for honest traders.
- Priority 1 – support economic growth
  - Priority 2 – tackle unemployment (by creating a level and fair playing field to encourage people to set up new businesses)

## **7. Public Sector Equality Duty**

- 7.1 It is often the case that the traders subject to investigation by the RIT prey on the most vulnerable members of society. Certain traders target people who may be extremely vulnerable, either through age or infirmity or for other reason. Taking robust enforcement action in these circumstances helps to protect not only those consumers but also the wider public.

## **DIRECTOR OF REGULATION AND ENFORCEMENT**