



Information Network Bulletin December 2008



'Christmas Bumper Edition'

 brought to you by Croydon Trading Standards 

OFT WARNS CONSUMERS ABOUT SINISTER NEW TWIST TO PRIZE DRAW SCAMS

Croydon Trading Standards is today warning consumers about a sinister new twist to prize draw scams in which the victims are unwittingly being used to help defraud others.

An investigation by a neighbouring Trading Standards Service and the police has uncovered a network of elderly prize draw fraud victims, some of whom have been groomed by the scammers into unknowingly acting as 'money mules' to launder other victims' money.

The fraud involved consumers receiving telephone calls claiming that they had won an international sweepstake or prize draw worth up to £500,000. The victims were told that in order to claim their winnings they needed to pay 'refundable' taxes and insurance fees and were asked to send payments by money transfer to the scammer in Canada.

The twist came when victims were later informed by the scammer that their prize had arrived at a UK airport but that further sums of money were required for its release. Victims were told to send personal cheques, often for thousands of pounds, to UK 'agents'. These 'agents' turned out to be other victims of the same scam who had been duped into acting as 'money mules', banking the cheques and innocently transferring the money to the scammer overseas. Victims receiving the cheques, who often had exhausted their own life savings, were told by the scammer that the money was from 'sponsors' to help pay the required release fee for their prize. None of the victims received any financial advantage for being 'money mules'.

At least 22 elderly victims of the fraud have been identified to date, a number of whom were sending cheques to each other as well as to the scammer and who have collectively lost at least £350,000. Victims were encouraged by the scammer to borrow large sums of money once their life savings had been depleted and some have lost upwards of £50,000. In one instance, the scammers targeted the widower of a victim who had died.

Our advice to anyone who receives a telephone call, letter or e-mail telling them that they have won a large cash prize is to stop, think and be sceptical. Remember a genuine prize draw, sweepstake or lottery would never ask you to pay taxes, custom duties, insurance, or any other fee before they release your winnings.

Anyone who is contacted about an alleged prize draw or lottery win and suspects it may be a scam should immediately contact Consumer Direct for clear, practical advice on 08454 04 05 06 or www.consumerdirect.gov.uk.

'Did You Know'

Trading Standards enforce laws relating to sale of age restricted products such as alcohol, knives, fireworks and solvents. If you suspect a store of supplying this type of product to youngsters, contact Trading Standards on Telephone: 0208 407 1311.

'Did You Know'

Trading Standards are available to give talks to community groups on their work. If you feel your group would benefit from a talk, call Trading Standards on Telephone: 0208 407 1311.

Check out Your Rights when Presents go wrong

Christmas is a time of giving and receiving but do you know what to do if gifts are unsuitable or you simply do not like them. It happens to all of us you get a pair of which are the wrong size or a jumper in a colour you'd never wear.

Unwanted gifts

Some stores have a well established reputation for offering a generous 'returns' policy, but legally they do not have to offer this service. Therefore if in doubt always ask about the store policy before making the purchase.

Defective or faulty goods

It is a different story if goods prove to be defective, in this case you have statutory rights which protect you and do not depend on an individual shop's policy. Under the Sale of Goods Act 1979 (as amended) all goods have to be of

- satisfactory quality and
- fit for the purpose they were sold.

The buyer has a reasonable amount of time after purchase to examine the goods and, if a fault is found, the shop must offer either

- a refund,
- or an exchange,
- or a repair.

The remedy offered by the shop will be at their discretion.

However, you are not entitled to anything if:

- If you were told of the defect before purchase
- It was reasonable to notice the defect before the goods were purchased.
- You do not like the goods or have changed your mind about the goods.
- You damaged the goods yourself

Points to remember

- You should always return goods as soon as the defect is apparent. If goods are not returned within a reasonable amount of time, you may lose your right to receive a full refund.
- Proof of must be produced when you return the goods. This does not necessarily have to be a receipt; you can offer a credit card slip or a bank statement to support your claim.
- Some shops try to use certain method to evade their legal responsibilities. They may ask you to contact the manufacturer direct.

- Although some goods do come with a manufacturer's guarantee, this will provide you with a repair only. If you are determined to get your money back then you must apply to the store, as this is who your contract is with.
- Sometimes the shop will offer you a credit note, if this is not what you want, you should refuse it.

Buying by credit card

Buying goods this way gives you additional rights providing the cash price is over £100.00. The Consumer Credit Act 1974, Section 75 makes both the credit card company and the trader liable for breaches of contract, such as defective goods, and this protection is very valuable when the trader refuses to help or simply disappears.

Advice on buying goods and services is available from Consumer Direct at telephone number 08454 04 05 06.

Illegal loans

In these difficult times, and to make ends meet, you might consider taking out a cash loan from 'friend'.

But your business, work place or neighbourhood 'friend' may turn out to be a shark. A Loan Shark.

Loans of £1,000 after 12 months have turned into nightmare debts of £5,000, because of late payment and other unfriendly and unwarranted fees.

Please do not despair. There is a London based team of skilled trading standards, financial, and police investigators as well as victim councillors that can help you, your neighbour or work colleague. Once you have made contact with the team they will both work to put the loan shark out of business, help you with practical advice about debt issues, and identify other sources of finance for you, such as a Credit Union.

Illegal loans are just that and do not have to be repaid.

Surprisingly many sharks operate in hospitals, factories and offices? The loans they offer are both illegal and grossly exorbitant.

You can contact the team 24/7 in confidence on:

Tel: 020 7364 6886

Email: sharkbait@lotsa.org.uk

Text: Shark Bait (+ Message) to 6003.

More information about Croydon's credit unions is on:

<http://www.croydon.gov.uk/community/advice/creditunions/>

Tips on buying your Television

Make a Choice - Along with Price, Quality, and Screen Size, you must also consider Display Type, HDTV or SDTV and Sound Options. So research the product you want to buy by comparing all the different options available so you know exactly what you are

**'Planning on a Shopping Spree in the Sales?'
See Trading Standards tips
to avoid a bad deal.....**

Tips on buying your PC

