

EXTERNAL VERSION



Information Commissioner's Office

Operation LINDEN: COVID-19 Scams and Exploitative Marketing

30 April 2020 10am-11:30am – ICO to chair.

Attendees

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| Natasha Longson | Information Commissioner's Office (ICO) |
| David Clancy | Information Commissioner's Office (ICO) |
| Stephanie Braley | Information Commissioner's Office (ICO) |
| Mike Lordan | Data & Marketing Association (DMA) |
| John Mitchison | Data & Marketing Association (DMA) |
| George Kidd | Data & Marketing Commission (DMC) |
| Amerdeep Somal | Data & Marketing Commission (DMC) |
| Priya Warner | Fundraising Regulator (FR) |
| Claire Haines | Insurance Fraud Bureau (IFB) |
| Marcus Kirby | Insolvency Service (IS) |
| Alan Tonge | Insolvency Service (IS) |
| Julie Corney | Market Research Society (MRS) |
| Debrah Harding | Market Research Society (MRS) |
| Ingrid Leonard | National Crime Agency (NCA/NECC) |
| Representative | National Fraud Intelligence Unit - City of London Police |
| Drew Cooke | National Trading Standards Intelligence Team (NTSIT) |
| Sarah Williams | National Trading Standards Scams Team (NTSST) |
| Richard Clarke | National Trading Standards Scams Team (NTSST) |
| Representative | The Office of Communications (OFCOM) |
| Ceri Lloyd | Solicitors Regulation Authority (SRA) |
| Steve Smith | TrueCall |
| Paul Sweeney | The Pensions Regulator (TPR) |
| Stephanie Borthwick | Which? |

Contributions were also received from the Charity Commission and the Fraud Advisory Panel, though representatives were unable to attend.

Agenda

- Introductions - (All)
- ICO's operational response to COVID related complaints
- Activity and actions updates – 5-minute attendee round robin (All)
- Opportunities for information sharing, joint communications or action – discussion (All)
- Horizon Scanning – discussion of potential emerging threats (All)
- Any other business (AOB – All)

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ICO's operational response to COVID related complaints

- In response to COVID-19, the ICO has set up several new operations, some policy focused, and some operationally focused.
- The ICO's operational response is focused on the emergence of scams, direct marketing and advertising related to COVID-19, whether this be through calls, SMS text messaging or email.
- The operational aim in this context, is to prioritise any cases where it is clear there is a high volume of related complaints or a risk of harm.
- Current thematic concerns include the sale of face masks, hand sanitisers and related products. There is also rising concern surrounding labs conducting/offering potentially fraudulent medical interventions.
- Some existing organisations involved in direct marketing have now diversified their product ranges / portfolios to take advantage of the COVID-19 situation, even where this new business advertising is contrary to the original function of the company.
- The ICO has received 510 complaints relating to COVID-19 matters (as of the 30 April 2020), which encompasses any complaints that make reference to COVID-19 within the nuisance contact/marketing. Within this there have been 276 complaints regarding live phones calls and 81 complaints relating to emails and there are currently 13 live cases relating to COVID-19 under investigation. It is anticipated this will continue to increase.
- Enquiries have been initiated where it is possible to identify the companies involved. The ICO are considering options for regulatory action, but only when appropriate, and where companies are taking advantage of the COVID-19 pandemic.
- Strategic teams in the office are making referrals to relevant regulators where necessary and possible.

Activity and Actions Update

OFCOM

- OFCOM have put special teams in place to look specifically at the COVID-19 response.

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- From a nuisance call perspective, it was highlighted that OFCOM's remit is to look at silent or abandoned calls and that any reported scam calls are referred to Action Fraud.
- OFCOM has only had a handful of complaints reported so far, but have put out consumer advice on what is being seen to help individuals identify these messages as fraudulent. Examples of scams seen include; texts claiming to be from the government about applying for funding or the issuing of penalties for leaving the house during lockdown. External intelligence indicates there has been a rise in impersonation calls.
- OFCOM is sharing intelligence with interested regulators where appropriate and joint work has been useful.

DMC queried if there was scope to work with Communication Service Providers to produce or help disseminate scam advice. OFCOM has stopped a lot of regulatory engagement with CSPs due to the pressure on their services. But considers that if there is some kind of joint messaging that would be useful, they are keen to work on that.

The Pension Regulator (TPR)

- Currently the situation is still quite quiet for TPR, though pensions are significant investments, not much information is being seen. Any surge in complaints has not been seen as of yet.
- TPR are looking at lessons learned post the economic crash and are reviewing older pension schemes (2012 onwards) to see if there are resurgences.
- TPR have launched a Scam Smart campaign with the FCA for the public and messaging for this has been published.
- TPR are currently engaging with different agencies where appropriate, including NFIB, Action Fraud and NECC.
- It was noted that an existing and ongoing project relating to general scam response in the pensions sector, would resume next week.

Which?

- From a scam perspective, volume of cases reported does not seem to be significantly higher so far, however, the types of scams being reported are noticeably changing.
- Which? are looking into ways to share intelligence with other organisations and have put in place weekly liaison calls with OFCOM.
- Which will be publishing content aimed at consumers about scam messaging and how to stay safe.
- Last week [w/c 20 April] a scams alert service was launched; this is a weekly alert for scams emails. It covers a range of existing scams and any newly identified scams can be shared in these email alerts and

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geared to COVID-19. Currently there are over 48,200 subscribers to the service to date.

- It was also noted that price gouging is a concern generally with companies taking advantage of the COVID-19 situation. An investigation in March found hundreds of examples of this happening on platforms like eBay. There is further action needed here and the potential for the introduction of new legislation and subsequent enforcement action in this area.
- A reporting tool where examples of this activity can be reported was launched yesterday [29 April].

Useful links for current work at Which? are below:

- Some of the coronavirus-related scams content that has been published: <https://www.which.co.uk/news/2020/04/coronavirus-scams-how-to-spot-them-and-stop-them/>
- The sign up page to the new Scam Alert Service for anyone who would like to share, sign post or sign up: <https://action.which.co.uk/page/s/which-scam-alerts>
- An article on price gouging with a link to the price gouging tool that was published yesterday: <https://www.which.co.uk/consumer-rights/advice/price-gouging>

National Fraud Intelligence Bureau (NFIB) – City of London Police

- NFIB are working collectively with teams in the Police, NECC and NCA to report on the different trends that are being seen and are stepping up their response to ensure individuals are getting the right information relating to scams and in good time.
- Currently complaints being received are low-level, but these are increasing in number, with fraudsters using COVID-19 as a hook. This intelligence gets fed into a briefing sent to ministers.
- There are some collective agreements and responses regarding the figures and what is being sent out.
- NFIB are also looking at how existing trends have changed due to the lockdown situation.

Market Research Society (MRS)

- MRS are busy currently with enquiries regarding researchers and interviewers and the employee furlough scheme.
- MRS is doing as much as possible to advise; there is an extensive FAQ and regulatory advice section on its website now.
- There are plans for a COVID-19 suite of guidance to advise members about how to proceed with research; MRS be changing moving forward and this will be an important set of guidelines for this community.

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- MRS noted that there have been few, or no complaints received relating to fake COVID-19 research, currently it is not being seen to be used to hoodwink the public.

Insolvency Service (IS)

- IS has received a wide range of intelligence from other bodies which is still being reviewed.
- From the Insolvency point of view, it is too early to say if there is malicious intents in this sphere.
- IS advised that in relation to live marketing, a fair few complaints have been received mainly regarding furloughing of staff. IS are also receiving complaints regarding refunds for travel booking (though this does not fall within IS remit).
- Examples of some of the cases seen include the sale of fake PPE; and one concern relating to tax avoidance schemes being targeted at foreign and UK NHS staff returning to the UK.

Fundraising Regulator (FR)

- FR are working with NTS and other external bodies where appropriate.
- FR are aware of anecdotal instances where people are attempting to carry out fundraising scams.
- The FR issued a joint statement with the NTS, CC and Action Fraud around safer giving; also, a social media campaign regarding fundraising scams is about to launch.
- Complaints received about scams and fraud would be sent on to the police or Action Fraud.

TrueCall

- TrueCall sells equipment to individuals to block nuisance calls, and sells to companies who install these devices for citizens vulnerable to nuisance calls; the devices record whether calls have been answered or blocked.
- 10,000 devices send data on a weekly basis and this helps to get robust trends and patterns; TrueCall can also pull off more detailed information about specific numbers making the calls.
- Generally, regulators work from this complaint data which does cover the full picture as these types of calls are not often reported and older or more vulnerable people are unlikely to complain.
- There are 67 numbers on a list of suspected malicious callers. 745 calls were made to TrueCall users; only two of which resulted in a conversation taking place.

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- TrueCall were alerted to two London-based numbers selling face masks. There was a significantly higher number of calls made from one of the numbers, so this is priority. This is likely to have affected millions of numbers not just TrueCall users.
- From a strategic aspect, the number of nuisance calls has significantly decreased and are at their lowest level since they were first monitored in 2012. However, it is likely that the number of calls from formal call centres are down due to the COVID-19 situation and lockdown. Nevertheless, a higher proportion of these calls are now likely to be scams as they come from informal call centres.

National Trading Standards (NTSIT / NTSST)

- Primary work of the scams team is increasing general awareness for the public. NTS are mainly using infographics and social media platforms to get the messages out raising awareness of scams. NTS have also appeared on local radio stations/BBC One programmes.
- A new project has been set up called Businesses Against Scams. Some of the themes being noticed here are: smaller businesses seeing mandate fraud; lack of awareness of free training and similar platforms; and promoting the different things that people are seeing.
- NTS note the success of the joint engagement with the ICO and TrueCall, which was mobilised quickly in response to numbers bombarding UK residents.
- NTS are noticing low-level targeting through social media platforms and rising price gouging, PPE scams, face masks, health and wellbeing scams.
- There is work ongoing with the Canadian Competition Bureau relating to online shopfronts, these are smaller to marketplaces like Amazon, and usually target people via social media. There are links to the US and Canada; NTS are feeding into colleagues there who are taking down the websites.
- NTS are seeing an increase in businesses being targeted through email, direct telephone engagement and physical mail. Businesses are approached with availability of PPE equipment from companies that have appeared from nowhere; they are targeting smaller businesses. Other examples are offers of assistance to get onto government financial schemes – this seems likely to increase – and is targeting a wide variety of victims in the UK.
- There has been a slight rise in charity-based scams, for example offering to help people buy food, with fraudsters asking for card details, but this is to a lesser degree at this point in time.

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Data & Marketing Commission (DMC)

- DMC have experience of various forms of spam and scams gained from the regulatory and commercial roles members of the Commission have previously held. DMC would not expect any entity that had made a conscious decision to join an Association like DMA with its Codes and guidance to engage in fraud. But DMC might be a conduit of advice and a source of personal experience should this be sought.
- There hasn't been any spike in direct complaints received by DMC.
- DMC are aware of the potential for opportunistic use of advertisement during the COVID-19 crisis.
- DMC have shared information with regulators where appropriate. There are some concerns raised through the online dating association, not so much a scam issue yet but more about the building of a relationship by fraudsters to later scam people using dating platforms. Information has been relayed to Trading Standards and NFIB.

Data & Marketing Association (DMA)

- DMA have not received many complaints regarding service messages but a lot of questions about what they are and where to draw the line.
- Reported concerns to the TPS continue on a downward trend overall.
- Since COVID-19 and lockdown: April 2020 saw 450 complaints, the lowest TPS have recorded.
- Scams: the TPS team are working with the ICO, though are not seeing the number of scams which may be expected. However, TPS are directing people to complain to the right bodies where appropriate.
- From a DMA point of view, focus is more on providing help and advice, doing research and lobbying efforts for funding organisations.
- Currently DMA are expanding their legal helpdesk.
- DMA continue with regular seminars and IDM training.

Insurance Fraud Bureau (IFB)

- A team has been set up to look at COVID-19 across all areas of Insurance Fraud.
- IFB initially looked at new businesses on Companies House using a keyword search and found 102 new businesses from February to April 2020. These varied across IT, Data and Health firms; some firms had very vague descriptions. These details were collated and are being run through the fraud databases to see if they have been involved in any previous cases.
- IFB noted there had been a downward trend in motor claims but anticipates employee claims will rise as a result of working from home fallout such as incorrect risk assessment and injuries caused.

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- Many direct marketing and claim farming companies have large datasets and can may repurpose these to contact people.
- IFB also noted that in relation to business interruption insurance, there are a lot of debtors saying that they can help with this. IFB teams are working to find more data.

NCA/NECC

- The National Economic Crime Centre (NECC) set up an operational group to respond to the threat from COVID-19 related fraud. The NECC further coordinates a group of key stakeholders, which is delivering an intelligence-led response across Pursue and Protect. It is working with partners to communicate Protect messaging to the public through a range of channels.
- The NCA recently arrested two individuals separately, on suspicion of illegally selling coronavirus testing kits, took down a website which tried to fool victims into buying suspected non-existent PPE and seized thousands of pounds. Further details can be found on the NCA website at the following link:
<https://www.nationalcrimeagency.gov.uk/news/pharmacist-and-surveyor-arrested-over-coronavirus-testing-kits-thousands-of-pounds-seized-and-website-taken-down>
- The NCA has also warned the public that organised crime groups may try to exploit the coronavirus outbreak and has published Protect advice, in conjunction with the NECC and its partners, on how to avoid becoming victim to the most common Covid19-related frauds. Full details can be found here:
<https://www.nationalcrimeagency.gov.uk/news/fraud-scams-covid19>

Solicitors Regulation Authority (SRA)

- No large update from the SRA.
- Some of the problems SRA are facing include clone firms; but nothing in this country as yet.
- SRA are liaising with the FBI in the US regarding fake solicitors from England trying to sell COVID-19 protection equipment.

Update provided by the Charity Commission (CC)

- CC published a regulatory alert on this issue a few weeks ago (available on their website) and next week [w/c 4 May] the CC will be launching a charity specific COVID-19 scams webinar with partner charity organisations. Focus is on awareness raising and prevention messages at this time.

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Update provided by the Fraud Advisory Panel

- Fraud Advisory Panel has been running a COVID-19 fraud project for the past month – the COVID-19 fraud watch group.
- The group is a cross-sector and cross-industry coalition of trusted partners who meet weekly to share information on emerging fraud threats and trends affecting business. It aims to act as a conduit to warn the public, private and third sectors about COVID-19 fraud risks and the preventative actions that can be taken.
- Full minutes are produced for participants to inform their counter fraud activities. A summary of the main trends/issues is also issued every Thursday afternoon for general release and cascading through our respective networks.

Opportunities for Information Sharing, Joint Comms or Action

- It was noted there is clearly a lot of joint proactive work already ongoing across this group in response to COVID-19.
- The meeting highlighted that, at this time, evidence of fraudulent activity and exploitative marketing is limited but that this would likely increase in the next 12-18 months and opportunities for preventative work should be seized where possible.
- Work needs to be done to warn vulnerable organisations, individuals and those who will likely be targeted, to increase awareness and to enable extra security considerations where possible.
- Opportunities for joint messaging were discussed and will be followed up after the meeting.

Horizon Scanning

- A general discussion was held to consider potential threats on the horizon and it was noted work should be done to consider the post-pandemic landscape and the implications of any changes made at the moment, especially where this may create footholds for opportunistic scammers going forward.

Any other business (AOB)

- No AOB was raised.
- ICO thanked participants for attending and contributing to the meeting.

END

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