

Business Scams



Data Protection Agencies

Businesses are sent official looking letters from companies demanding payment for registration under the Data Protection Act. The letters attempt to give the impression that they come from an official body and that the businesses receiving them are under some sort of legal obligation to register with the company immediately at a cost of up to £100 + VAT.

Our advice:

While most businesses processing personal data are required by law to notify the Information Commissioner, they can do so directly and the fee is only £35, on which no VAT is payable.

You can find information on whether or not a business is required to notify under the Data Protection Act on the [Information Commissioner's](#) website or by telephoning its notification helpline on 01625 545740.



Health & Safety Bodies

In a new variation of the data protection scam businesses have been targeted by conmen purporting to be official enforcement bodies acting on behalf of the Health & Safety Executive. They demand a fee, in some cases £249, for Health & Safety Act registration.

In fact the Health and Safety Executive never sends out unsolicited demands for money. Its legitimate Health and Safety Starter Pack is available to any business for £30.

Our advice:

For information on the Health & Safety starter pack and to find out if you need to register your business visit the [HSE](#) website. The pack contains most of the basic health and safety advice you need to help your business comply with the law and protect its employees. It also includes copies of the HSE Accident Book and the Health and Safety Law Poster, which must be displayed in your business premises by law.

If you think you have been targeted by this scam you can report it to HSE's Infoline on 08701 545500, or your local HSE office.



Directory Entries

Watch out for official looking "invoices" from trade directories and databases asking for your fax, internet and email details. These may appear to be simple requests for information, but beware of small print commitments to pay £100s for a directory entry. If you reply, it is then claimed that you have entered into a contract for an expensive, yet worthless, listing obliging you to pay.

Our advice:

If the directory is actually published, there may be no criminal offence and an enforceable contract in place. Check all small print carefully, and warn your accounts staff to be on the look out for unsolicited invoices, particularly when you have temporary staff on duty.



Advertising Companies

Some unscrupulous advertising companies may get money from you up front for advertising in various publications that never seem to appear in print.

Our advice:

Get a proof of the advert and a copy of previous issues of the publication. Get full written details about publication dates and distribution, and try not to pay in advance. If the company won't budge on this, think twice before you sign.



Nigerian Letter Scam

'Advance Fee' or '419' Fraud

Watch out for letters, emails or fax messages asking for your help to transfer a substantial amount of money, usually many millions of pounds, out of the sender's country.

The bulk of these mailings are from Nigeria but an increasing number are now coming from South Africa and other parts of the world. What they have in common is that the fraudsters require you to send money (an 'advance fee') to 'finance the transfer'.

It is sometimes known as the '419' fraud as this refers to the Nigerian Government department tasked with tackling the problem.

Typically the letters are headed "urgent business proposal" and "in strictest confidence" and suggest that if you allow the sender to use your bank account to transfer money into, then you will receive a percentage. However, if you do respond, you will simply be asked for money to 'help the transfer along', and, if you then send money, you will be asked for more and more money until you finally realise that this is a scam, and the 'millions of pounds' do not exist.

Our advice:

If you have received an unsolicited letter or e-mail containing any of these characteristics, **do not respond**. Always be wary of letters where "urgency and secrecy" are key elements. Remember also, revealing any personal details may lead to identity theft.

You can send emails to the internet service provider from where the scam email originated. These mails should be addressed in the following way (depending on the ISP): abuse@the ISP name, for example - abuse@yahoo.com. The ISPs can then close any accounts that abuse their systems.

The National Criminal Intelligence Service would also like to hear from any **victims** of such fraud and can be contacted at victim@spring39.demon.co.uk or telephone 0207 2388012.



Charity Magazines and Publications

Many genuine charities produce publications to raise funds, and invite businesses to advertise in them for a fee. Watch out, though, for bogus companies who falsely claim to have links to charities in order to get money from you.

Our advice:

Check with the organization a company claims to represent to make sure it is genuine. Get their address and registered charity number, and check with the [Charity Commission](http://www.charitycommission.gov.uk).



Business Rates Consultants

Unscrupulous consultants often target small firms making misleading promises about rebates available through the Business Rates appeals process. In exchange for large fees, businesses are led to believe they will get their business rates reduced. In fact, the fees for the service may outweigh any benefit gained. Rates may also be increased.

Our advice:

If you are approached in this way make some background checks on the claims the firm is making, for example check with the professional bodies they claim to belong to and ask for the names and contact details of past clients.

Your local valuation officer can discuss your rateable value and provide an appeal form for free; information is also available on the [Valuation Office Agency](#) website. The [Royal Institute of Chartered Surveyors](#) also operates a business rates helpline offering a free half hour consultation on business rates appeals: 0870 3331600.



Unsolicited Calls

Many businesses receive large amount of telephone calls and fax messages from companies trying to sell everything and anything, often quoting a premium rate number to be removed from their mailing lists.

Our advice:

Check small print carefully before replying. If you want to reduce the amount of unsolicited sales and marketing calls you receive, register with the [Telephone Preference Service](#) and [Fax Preference Service](#).



Grant Consultants

Some firms offer to check your eligibility for EU and other subsidies. Payment up-front is often required along with a percentage of any eventual grant.

Our advice:

Don't be taken in by smart sales talk. Ask for full information in writing and make enquiries with Business Link.



Stationery Supplies and Office Equipment

Don't get caught by unsolicited phone calls from firms selling office stationery supplies.

A favourite ploy is to trick staff into thinking that an order has been placed before, and that the call is a routine re-order. The goods are then often supplied in much greater quantity or at much higher prices than agreed on the phone.

Watch out for small print in contracts relating to the supply of equipment such as photocopiers, shop fittings, security systems and fire extinguishers. Some contracts may be lease agreements with high penalties for withdrawal, or might tie you in to long term maintenance deals at high annual costs.

Our advice:

Alert your staff to telephone conmen. Try to make sure that there is a clear system in place for this sort of unsolicited call so that they get put through to someone in authority.

Check paperwork, including small print, very carefully. If you are unsure about any contract term or its implications, ask your solicitor or accountant.