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**REPORT TO: PLANNING AND REGULATORY SERVICES COMMITTEE ON  
14 MARCH 2023**

**SUBJECT: CREATION AND OPERATION OF A MORAY TRUSTED TRADER  
SCHEME**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 The Committee is asked to approve the creation and operation of a Moray Council branded Trusted Trader Scheme to allow Moray residents to search for Trading Standards vetted traders. The scheme is accessible via any internet device or over the phone.
- 1.2 This report is submitted to Committee in terms of Section III (E) (11) of the Council's Scheme of Administration relating to Trading Standards.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee:**

- (i) approves the creation and operation of a Moray Trusted Trader Scheme;**
- (ii) approves the payment of a one off fee of £2,000 plus VAT set up fee to Trusted Directory Services Ltd (TDS), who will initially create and administer a Moray Trusted Trader Scheme;**
- (iii) approves that the £2,000 fee is sourced from one off income streams made in to the 2022/23 Trading Standards budget as per Finance Section at 4c; and**
- (iv) approves that the scheme is subsequently funded by members' annual subscription fees of £200, £70 of which would be returned to the Moray Council.**

### **3. BACKGROUND**

- 3.1 Approved Trader Schemes are an invaluable means for local consumers to access an up to date list of traders in their area operating with good consumer protection standards and therefore provide a means of making an informed choice of who they trade with. Such a scheme would also benefit reputable traders in seeking to compete fairly against those who would cut corners or trade illegally. The scheme focusses generally on the home repairs sector, where there can be significant issues with rogue traders targeting vulnerable consumers.
- 3.2 Since January 2020, Moray Council Trading Standards has dealt with 100 complaints relating to services including building work, gardening/landscaping, insulation work, roofing, double glazing, heating installation, painting/decorating, driveway work and fitted kitchens and bathrooms. The total value of the work was estimated at over £550,000.
- 3.3 From these complaints, six criminal investigations were instigated with allegations of various Trading Standards offences. Four reports were subsequently submitted to the Procurator Fiscal in respect of these investigations. Three of these were against local traders based in Moray. Draft charges included fraud, unfair commercial practices which contravene the requirement of professional diligence, misleading actions, misleading omissions and aggressive practices.
- 3.4 Dealing with these complaints and conducting these investigations requires a significant amount of time and resources from the Trading Standards Team, which has seen a reduction in numbers over the past few years. The introduction of a Trusted Trader Scheme, to which consumers can be signposted may reduce the number of complaints and pressures on the Team.
- 3.5 More than half of Scotland's local authorities operate approved trader schemes through their Trading Standards Service including "off the shelf schemes" such as Trusted Trader and Buy with Confidence.
- 3.6 The initial £2000 fee will be paid from the current Trading Standards budget as described at point 2.3.
- 3.7 A copy of the proposal by Trusted Directory Services is contained within **Appendix 1** which provides more detail of the scheme.

### **4. SUMMARY OF IMPLICATIONS**

#### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Corporate Plan prioritises the promotion of economic development and growth in Moray to ensure a thriving and vibrant economy for its citizens. Businesses flourish on a level playing field and the main function of Trading Standards is to ensure that businesses trade fairly. Similarly, LOIP prioritises growing a diverse and sustainable economy so

that Moray can be recognised as an outward facing community with a thriving and well connected commercial base. The introduction of a Moray Trusted Trader Scheme has the potential to promote local business and reward good service with a marketing opportunity.

**(b) Policy and Legal**

None.

**(c) Financial implications**

There is a one-off set up fee of £2,000 plus VAT to Trusted Directory Services Ltd to create the scheme, which would come from the Trading Standards budget.

In 2022/23, Moray Trading Standards received several sources of income, which were not accounted for within the normal budget and it is proposed that this income is used to pay the initial £2,000 fee. The income included a payment of £1,610 from HMRC, which was received as a result of a joint working initiative with Local Authority Trading Standards. Funding was made available to Trading Standards from HMRC for enforcement work relating to illicit tobacco and specifically when illicit tobacco was seized or obtained by Trading Standards. Recent enforcement work by Moray Council Trading Standards generated this payment. This work did not involve any additional resources or staff time and was carried out in the normal course of Trading Standards duties.

A further payment of £800 was received by Moray Trading Standards from the Scottish Government for work relating to fireworks legislation enforcement. This included the inspection of premises that stored and sold fireworks. This work also did not involve any additional resources or staff time and was carried out in the normal course of Trading Standards duties.

To recoup the initial fee in the first year, Moray would require 27 traders to join. If this is not achieved, efforts will be made to generate new members and grow the scheme. Thereafter, ongoing costs are funded by members' annual subscription fees of around £200. TDS would receive £130 per annual subscription per trader, the remaining £70 would be returned to the Council. The re-subscription rate for other schemes is currently 96%.

East Renfrewshire has a similar population size as Moray of 95,000 and currently has 28 members. East Lothian has a population of 106,000 and has 82 members. This is higher than average because their scheme has been around for a very long time and has very gradually grown to that number.

There are also potential staff time saving benefits to implementing the scheme. In 2022, Trading Standards staff spent approximately 150 hours in dealing with complaints regarding poor quality services and rogue traders. This included a substantial investigation into poor trading practices by a Moray based trader, which resulted in the submission of a

report to the Procurator Fiscal. Staff time may be substantially reduced by Consumers opting for work to be carried out by Trading Standards vetted traders.

**(d) Risk Implications**

That there is no uptake of the scheme. However Trusted Trader schemes operate successfully in other areas. Currently, 11 other Scottish Authorities have Trusted Trader Schemes implemented by TDS with two other memberships pending.

**(e) Staffing Implications**

Staff will be involved in the initial vetting process only. This is estimated to take around four hours per applicant. The scheme will be accommodated within existing resources. Once the initial vetting process has been carried out, 70% of the workload, all the support functions, and dispute resolution are handled by TDS.

**(f) Property**

None.

**(g) Equalities/Socio Economic Impact**

An Equality Impact Assessment is not needed because the recommended actions don't affect people

**(h) Climate Change and Biodiversity Impacts**

None

**(i) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth & Development, the Legal Services Manager, Lissa Rowan (Committee Services Officer), the Equal Opportunities Officer have been consulted and comments received have been incorporated into the report.

**5. CONCLUSION**

**5.1 That the Committee considers the recommendations set out in Section 2 of the report in regard to the creation and operation of a Moray Trusted Trader Scheme.**

**5.2 That the introduction of a Trusted Trader Scheme protects consumers and supports reputable business,**

Author of Report: Muriel Allan, Principal Trading Standards Officer  
Appendix 1: Moray Trusted Trader Proposal by Trusted Directory Services Ltd

