

MISLEADING MARKETING: INFORMATION FOR BUSINESSES

The Scam

You will typically be approached by post, telephone, email, fax or online asking you if you wish to continue advertising with a directory – this could be a hard copy booklet, CD Rom or online. It may indicate that you already advertise with the directory and ask you to correct or update your details by returning documentation. You may receive a freepost envelope to encourage you to return the paperwork.

The small print will indicate that by returning the documentation you are agreeing to pay a fee, typically several hundred pounds or around a thousand Euros. The fee may be for a subscription over a number of years.

You may get 'reminders' asking you to return the paperwork.

If invoices are not paid, the publisher will often send debt collection or threatening letters to try to recover the fees.

Known scam directories include:

- European City Guide
- International Business & Trade Database
- Nova Channel
- Industry + Commerce
- Expo Guide



These and other similar directories have demanded thousands of pounds from businesses in Argyll and Bute.

The Legislation

In the UK, The Business Protection from Misleading Marketing Regulations 2008 prohibits misleading advertising to businesses. This includes advertising which, because of its presentation e.g. it appears to be an existing order, deceives the trader to whom it is addressed.

Parties who are found guilty of providing misleading advertising (both companies and associated individuals) could be fined or imprisoned.

The Regulations implement European Directive 2006/114/EC concerning misleading and comparative advertising. In some European countries, trading standards operates in a different way to in the UK which may mean that bogus directory companies can continue to operate despite being in breach of the legislation. If a directory is based outside of the UK, be particularly careful about anything you are agreeing to.



What can you do?

- If you receive details about advertisements in directories **treat them with extreme caution** especially if the information is unsolicited.
- If you are approached over the telephone, remember that it is **possible to make a legally binding contract verbally over the telephone** and that it will be difficult to prove what was or was not agreed. You are advised not to agree contracts verbally.
- **Don't assume entry into any directory or onto any website is free.**
- **Research the product** you are considering signing up to before returning or agreeing anything.
- **Read all terms and conditions carefully** and ensure you understand what you are agreeing to and what costs are involved if you sign and/or correct any paperwork.
- **Keep copies of any paperwork** and correspondence.
- **Limit the number of your employees who can deal with purchasing goods and services** so that the company knows what orders have been placed and which, if any, advertising directories are used.
- **Don't be pressured into paying for services you haven't agreed to**, take legal advice if you are unsure on your rights.
- If you are threatened with debt collectors or a credit 'black-listing' ultimately **only a court can decide whether you are liable to pay**. To date most scam directories do not appear to be pursuing unpaid invoices through the courts.
- **Consider registering with the Mailing, Telephone and Facsimile Preference Services** (www.mpsonline.org.uk, www.tpsonline.org.uk, www.fpsonline.org.uk) to help reduce unsolicited mail.
- **Report directory scams affecting your business** to www.actionfraud.police.uk or telephone 0300 1232040 or contact Trading Standards by telephoning 01546 605519 or emailing tradingstandards@argyll-bute.gov.uk.

How to spot a scam

There are some general rules that should set alarm bells ringing wherever you see them. Be very suspicious if:

- something sounds too good to be true – like free goods or quick, easy money
- you're asked to give out personal or bank account information
- you aren't given long to make a decision or feel pressured into making one immediately
- you're contacted unexpectedly by a company or person you have never heard of – this can be by post, email, phone, text or on the doorstep
- you're asked to pay anything upfront, or
- the only contact details are a mobile phone number and a PO box address