

# **Bogus Advertising and Rate Reduction Scam Alert**

Leicestershire County Council and Leicester City Council Trading Standards are warning of an advertising scam aimed at small businesses – we are taking the opportunity to reinforce advice to businesses about how to avoid being a victim.

The techniques used by scammers claiming to provide advertising space in publications are:

- cold calling by phone, e-mail, or in person using a name the same as or similar to a genuine business;
- claiming a link with the police, health services or other public bodies including local authorities;
- claiming a link with charities;
- asking for immediate upfront payment;
- offering discounts for agreeing to buy on the day;
- using the direct debit system to take more than agreed;
- signing the business up to a long-term contract which may be extremely costly.

The advice from trading standards is never to agree with or pay money to an advertiser that you do not know or have not dealt with until:

- you have had a chance to do some simple background checks such as using an internet search engine to identify whether the business is genuine, or has scammed other businesses;
- the advertiser can provide proof of identity for its business and the salesperson that contacts you;
- the advertiser has provided proof of the existence of previous publications referred to and can provide proof of contractual dealings with any business, service, charity or public body that they claim to be working with or to have worked with previously.

## **Rate Reduction Scams**

Small businesses may also fall victim to 'rate reduction' firms who lead businesses to believe that for a fee they will get their business rates reduced on appeal. Sales persons often give the impression that no fee is payable until a reduction is obtained, however the small print in the contract requires a fee when an appeal is logged.

Local authorities are required to collect business rates on behalf of central government. Businesses are revalued and new rates are applied every five years. Rogue firms deliberately target businesses whose rates have increased and charge fees of around £500 to make an appeal against the revaluation.

The best advice to businesses is to say 'no' to such firms. Their contracts are often carefully worded and do not match up to verbal promises the salesperson makes. You will have no automatic right to cancel once you have signed and paid.

Get advice from the local Valuation Office before you agree to anything. Details of the appeals procedure are included in a revaluation notification and in the notes accompanying the rates bill from the local authority. Details are also found on the valuation office website at [www.voa.gov.uk](http://www.voa.gov.uk) and at [www.businesslink.gov.uk](http://www.businesslink.gov.uk). But remember, if you appeal your rates could go up as well as down.

For further information or assistance regarding your rates bill please contact the Business Rates Section at Leicester City Council on 0116 252 7005; email: [business.rates@leicester.gov.uk](mailto:business.rates@leicester.gov.uk) or go to the relevant section on this website.

If you need specific advice regarding the scams please contact [trading\\_standards@leicester.gov.uk](mailto:trading_standards@leicester.gov.uk) or call 0116 252 6599