

Consumer news investigation

Doorstep collections are a vital source of income for charities, but they offer rich pickings for bogus collectors. We investigate whether enough is being done to tackle them

Rags to riches

CHARITIES

'Helping us to help others', 'provide people in third-world countries with clothes' – every day these leaflets come through our letterboxes. You might think they're from charities, but the chances are many aren't. And several collectors are involved in criminal activity.

For legitimate charities that make doorstep collections these companies are a worsening headache. In the past the leaflets used false charity numbers but now they've become more sophisticated, stating they're commercial collection companies.

Commercial collection isn't illegal – businesses can collect and sell affordable clothing to developing countries. But they don't represent charities and frequently the companies dissolve and reappear under different names – so it's difficult to monitor whether their activities are lawful.

Charity losses

Clothes Aid, the collection agent for Great Ormond Street Hospital (GOSH), London, says that most of these companies use leaflets so they can shadow legitimate collection teams.

Often gangs in unmarked vans steal bags from doorsteps before the real collectors arrive. It's estimated that Clothes Aid loses 50 tonnes of clothing a week to thieves. GOSH losses amounted to £220,000 last year – enough to pay for a mass spectrometer to help the children's hospital researchers analyse a patient's blood.

Clothes Aid has the names of 90 companies, many of which it believes have had links to one another, such as the same

RESIDENTS GIVEN UP ON GIVING

Jo Palosaari

Member Jo Palosaari used to leave out bags of clothes for charities, but she and her neighbours have stopped. Around her street in south London charity bags are regularly stolen and Jo realised it was happening to her when she noticed her bag had gone before the marked van of a legitimate charity had appeared.

Often the leaflets of bogus collectors are dropped through doors soon after a legitimate charity leaves a leaflet.

'I've noticed the dubious leaflets have become more aggressive, with pictures of screaming children and emotive language,' Jo says.

addresses and names of directors. Ironically, bogus collectors are selling their clothes to the same agents in Europe as Clothes Aid but making a bigger profit. Wholesalers in Lithuania report that these collectors bring over 20 lorry loads more a week than the legitimate agents.

There are also concerns that bogus collectors have undermined confidence in collections. In our survey, three in ten members who haven't filled charity bags after leaflet drops said it was due to concern about them not being from genuine charities.

Thefts ignored

In letters from Which? members about collections, many say companies have tried to dupe them. Ann Shadrake's suspicions were aroused when she noticed how many leaflets were being delivered. Each one had a company name and number, but when she checked, both Ambertop Ltd and Orellana Ltd had been dissolved yet were still operating, which is illegal.

Ann was disappointed with authorities' reaction to her complaint. Consumer

Direct, the government's consumer advice service, said it would pass details to trading standards officers and suggested she contact Companies House. She heard nothing from trading



standards staff, and Companies House told her it couldn't pursue the matter. 'They might be helping people in the third world, but these dissolved companies are not doing things in a bona fide way. The whole thing adds up to a big racket,' Ann said.

And despite these well-organised crimes happening across the UK, legitimate collectors have told us that there's little effective action by the police or other enforcement bodies such as customs, tax inspectors or trading standards departments.

The Association of Charity Shops (ACS), which includes charities that make house-to-house collections, told us that when its members have reported bogus collectors to the police, little action has been taken.

And in the last 18 months Clothes Aid has seen the theft problem get far worse. But despite 80 arrests – mainly of Lithuanian nationals – there's been only one prosecution.

In January Clothes Aid recovered 12 tonnes of GOSH charity bags from an Essex depot. Havering police arrested ten people, Latvians and Poles, working for a company called Intersecond, but they were released the next

Dozens of different leaflets may drop through your door



£2m

lost for charity shops through
doorstep thefts each year

ASSOCIATION OF CHARITY SHOPS

£300 to £400

value per tonne of
second-hand clothes

CLOTHES AID

£420,000

raised for Great Ormond Street
by doorstep collecting last year

CLOTHES AID

day with no further action, as no translators could be found in the time available (see 'Tracking charity bags', below).

If a collector is masquerading as a UK charity, the Charity Commission and trading standards officers can take action. But the commission says it's powerless if there's no mention of a charitable cause or if the charity is actually based abroad.

And the Office of Fair Trading admitted to us that trading standards officers have had 'limited success' stopping this activity where leaflets have stated they're from commercial collecting companies.

The police have also found it hard to prosecute. Under the Theft Act a victim is needed, but often it's not possible to find out which house a bag has come from, and technically the bag doesn't belong to the charity until it's in the collection van.

Legal loophole

Government representatives recently met charities and enforcement agencies to discuss the problem. The government believes that raising awareness is vital, and the Association of Chief Police Officers (Acpo) has written to chief constables about the issue, but there's little sign that resources will be redirected.

At the meeting, officials pointed out that there can be no certainty that a charity bag will go to the intended organisation unless the owner watches the collection.

Acpo spokesman Detective Chief Inspector Simon Taylor added: 'It's clever the way these collectors have found this



Collectors resort to motorcyclists to protect donated bags

loophole in the law. We're limited in what we can do at the moment with all the other pressures on us.'

Charity action

So it's largely left to legitimate collectors and the public to tackle the problem.

Following a complaint by a Clothes Aid motorcycle scout, a bag thief was prosecuted and fined this year. Another case, also thanks to the motorcycle teams, is due to be heard soon in east London. However, the teams are a cost added to the overheads of the charities, and they really can't afford it, as Michael Lomotey of Clothes Aid points out: 'While thefts continue, the public's confidence in this form of charity collection is being undermined.'

The ACS's code of practice requires collection organisations to clearly print charity details on its collection bags.

David Moir, of ACS, says: 'We're doing all we can, but it's up to the police and other agencies to stop this because it's despicable.'

'We're limited in what we can do with other pressures on us'



got no help from the company. That is why we started up our own business.' But a Companies House check still shows the woman as the company secretary of Intersecond.

TRACKING CHARITY BAGS

In June, we went with Michael Lomotey of Clothes Aid to two depots in Essex, one of which was raided last January, when stolen bags were recovered. At both, Great Ormond Street Hospital bags could be seen.

At the depot that was raided, a man and woman were standing in a shipping container rebagging clothes. Outside the container were

the empty bags, including those with the GOSH logo.

When we asked them about the bags they denied they were anything to do with them.

They said they were aware of the problem of stolen bags, having previously worked for the company Intersecond at the depot and been arrested.

The woman said: 'I was locked up for one night and

TAKE ACTION!

Ensure bags reach the right people

■ Check whether the collection is for a UK registered charity. Confirm its number at www.charity-commission.gov.uk/registeredcharities or call 0845 300 0218.

■ Charities need a licence to collect. Check with either your council or police service in England and Wales, and the police in Northern Ireland. In Scotland contact the Office of the Scottish Charity Regulator at www.oscr.org.uk or call 01382 220446.

■ For further collection information you could try the Association of Charity Shops on www.charityshops.org.uk or by calling 020 7255 4470.

■ If a leaflet doesn't look or seem right, it probably isn't – check for addresses and landline numbers. Commercial collection companies don't require licences but company names can be checked at www.companies-house.gov.uk or by calling 0870 333 3636.

■ Not all legitimate collection companies have marked vans. If you're suspicious, note the registration number and contact the local police or Consumer Direct at www.consumerdirect.gov.uk or on 0845 404 0506.

■ Ask for ID and be wary of any that looks photocopied or homemade – compare details with the organisation's leaflet. Genuine fundraisers should be happy to answer questions and won't mind being checked out.

■ Alternatively, make an appointment for a collection or deliver direct to charity shops during opening hours.

OUR RESEARCH

We asked 2,405 members of our online panel about doorstep charity collections in May 2007. Four in five said they had received charity bags but 60 per cent of those had not left items on their doorstep. The most common reason given, by 29 per cent of them, was that they had been unsure whether collections in their area are legitimate.