

## Briefing: Illegal tobacco problem in Wales 2019

### 1. Overview

Smoking prevalence continues to fall but there are still over 470,000 smokers in Wales making up over 17% of the adult population. Smoking remains the single biggest preventable cause of death and health inequalities.

The percentage of adults from the least deprived areas of Wales who smoke stands at 13% compared to 28% amongst the most deprived. Smoking prevalence in the more deprived areas is not reducing at the same rate as the more affluent areas. Latest figures also show 9% of 15/16 year-olds in Wales regularly smoke - a figure that has not fallen in four years.

The illegal tobacco market represents a serious public health risk because it undermines the tobacco controls that reduce smoking rates including, taxation, age restrictions on sales and point-of-sale display bans.

**At 15% of the market, Wales has the highest prevalence of illegal tobacco in the UK.**

The fundamental reason to confront the illegal tobacco trade is due to its public health impact. Illegal tobacco is cheap and available, making it easier for young people to afford and for smokers to continue smoking. Research has found young smokers are more likely to be offered illegal tobacco than adults (55% of 14 and 15-year-olds who smoke buy illegal tobacco, compared to 25% of adults).

Illegal tobacco also funds criminality in our communities and with one million illegal cigarettes being smoked in Wales every single day it is big business. For criminals, tobacco is a low risk but high return activity.

**Where is it sold:** Over half the smokers reported buying illegal tobacco in private addresses (52%). Pubs and clubs were the second most cited source at 45%, shops third at 19% and street sellers were 16%.

**Who buys it:** Illegal tobacco is significantly cheaper than cigarettes from legal sources - £4 a pack compared to £8.50. Low income smokers are more likely to use illegal tobacco. It also acts as a source of supply for young people, particularly from more deprived backgrounds, who buy illegal tobacco at pocket money prices.

**What difference does it make:** 70% of those who buy illegal tobacco in Wales say the availability of illegal tobacco makes it possible for them to smoke when they could not otherwise afford it.

**Where do people report it:** Members of the public are significantly more likely to report illegal tobacco to the police rather than to any other organisation. Of those who would report it 84% said they would report it to the police.

### **Any activity to tackle illegal tobacco needs to**

- **Reduce availability**
- **Reduce demand**
- **Reduce acceptability**

## **2. Existing Activity**

Enforcement visits leading to seizures of illegal tobacco and criminal prosecutions are being carried out across Wales by Trading Standards services and by the HMRC Fraud Investigation team in Cardiff.

Across some enforcement agencies there are existing mechanisms for the collection, assessment, evaluation and dissemination of intelligence.

The main issues:

- No public communications programme to reduce the acceptability or demand for illegal tobacco
- No central point for the public to report illegal tobacco
- No central enforcement team
- No formal intelligence sharing arrangements
- Police do not have a specific role with regard to illegal tobacco
- Police may record information on illegal tobacco but there is no system classification, or method to coordinate intelligence sharing with other agencies
- Penalties and prosecution procedures for those that sell illegal tobacco need to improve to support enforcement activity.
- A lack of understanding across the healthcare sector how the illegal tobacco issue is inextricably linked to all other tobacco control interventions.

## **3. Ongoing Work**

### **1. Wales's Illegal Tobacco Programme**

In June 2017 the Cabinet Secretary for Health and the Minister for Social Services and Public Health agreed to develop and deliver a Wales Illegal Tobacco Programme. Welsh Government asked ASH Wales to build a comprehensive three-year enforcement and communications plan.

The proposal was submitted to Welsh Government in May 2018 and to the Tobacco Control Strategy Board for consideration.

### **2. Tracking and Tracing**

A UK-wide track and trace system with new security features on tobacco products came into force in May 2019. The new regulations under the Tobacco Products Directive (TPD) will

require store owners to apply for an economic operator infrastructure code (EOIC) and facility identifier codes (FICs), in order to place an order for tobacco stock.

The new provisions are designed to tackle the illicit trade and protect tax revenues with codes being withdrawn under "duly justified circumstances".

If retailers do not have the correct IDs they will lose the ability to purchase tobacco products. Under the proposals laid out by HMRC in its current consultation, the purchase right will be withdrawn if retailers have:

- sold illicit tobacco on three or more occasions within any 12-month period, and as a result illicit tobacco has been seized
- failed to rectify non-compliance after being issued a compliance notice
- received a fine of £10,000 or more for the sales of illicit products
- a conviction for the sales of illicit goods under the Customs and Excise Acts
- or if they haven't used the IDs in the last 12-months.

### **3. Legislation**

The Public Health (Wales) Act 2017 will enable the introduction of a register of retailers of tobacco and nicotine products, the power to add offences to the list of offences which contribute to a Restricted Premises Order, and make it an offence to offer tobacco or nicotine products to those under 18 via home delivery and collection services. The delivery of these measures is ongoing.

### **4. Anti-Illicit Trade Group**

A new UK Anti-Illicit Trade Group has been established to consider the threat posed to the UK by illicit trade following a recommendation from an All Party Parliamentary Group (APPG). The IPO have progressed engagement with the Home Office and we have two pilot areas in England to develop Local Profiles that are focused on IP Crime and Illicit Trade with local analytical resource and HHO SOC Coordinators involved.

The National Crime Agency are reconsidering their position re a threat assessment on Illicit Trade following APPG.

APPG have recommended a more joined up and focused approach to illicit trade and Treasury are considering the options.

## **4. Calls to Action**

A network of professionals working in the field of tobacco control came together in January 2018 and identified four key areas of work:

1. Create a nationally funded enforcement programme and campaign that responds to the scale of the problem
  - A minimum of 3 years with the focus on criminality and changing public attitude towards IT
  - Direct link to cessation/quit services
1. Build partnerships and engagement to enhance enforcement
  - Develop protocol around the sharing of intelligence and resources
  - Clear lines of coordination and responsibility
2. Develop a clear public reporting strategy
  - Where and to whom
  - Website; Apps; Phoneline

3. Implement harsher penalties for those that sell it
  - Magistrates need to increase fines/understand the severity of the crime
  - Involve social housing organisations; penalise individuals found guilty of selling from their own homes

**WTHN – 31<sup>st</sup> January 2018**

IT = illegal tobacco

<b>Experience and perceptions of IT</b>
More prevalent in deprived areas
Affects our most vulnerable who are not motivated to quit
Don't think they are doing anything wrong/not my business – it doesn't affect me
Buying it from down the road makes it more acceptable
Illegal products are a problem in prisons People don't know who to report it to
Witnessed it being sold/bought in pubs and clubs
Price is more of a motivation for quitting as people get older
Some people smoking more now that packs of 10 are not sold
Social media will attract new customers and sellers
The impact is higher in certain areas
Most vulnerable people are chronically unwell and live in deprived circumstances
Wider selling platforms; more visible as a product
Cultural and seen as the norm
People who sell it live down the road – makes it more normal and acceptable

<b>Current challenges around IT</b>
Resources and intelligence sharing
It is seen as normal; nothing wrong in selling it
Lack of consequences, low penalties, low risk
Legal framework and the barriers around sharing information
Intelligence sharing - employees willing to share information but managers/organisations more risk averse
Seems like a victimless crime; need to change attitudes
What reception will people get if they report it?
Midwives/cessation advisers; trust with clients is a barrier to sharing/reporting
Reductions in neighbourhood policing
Lack of joint working – illegal tobacco/health/prevention should work together
Good people involved in criminality
Lack of coordination with cessation services
People don't know who to report it to
Budget pressures; resource intensive
Consumer demand for the product
Highly organised market
Criminal threat to the local community

<b>How can we improve collaboration?</b>
Messages need to be tailored; grooming/organised crime may be more compelling
What is the message?
Education targeted at young people
Child labour/exploitation is an effective message that will engage children emotionally
Engagement with those on the ground who encounter it
A national programme tackling both demand and supply
Stricter borders / make the SOC link
Flexible working group of all partners to share intelligence and decide who will act/no duplication of efforts
Messages need to be consistent
Work with existing cessation services

Less pressure; more sharing of information
Needs to be included in PCC priorities
Promote success and prosecutions
Youth workers/schools/community hubs
Support for and from local authorities
Link into social housing organisations/those that sell it from their homes

<b>Wales Wide Campaign</b>
Public campaign needs to be mass market, but needs to feel local
How it is funding other crime – the Rotherham example
Graphic, strong messages, hard hitting; storyline of a groomed child?
Test campaign in communities first – right message that has been tried and tested
Messages in schools/children
Need the buy in of all relevant agencies
Need a budget that is dedicated and ring fenced
More resources for enforcement/comparable to scale of issue
Regional approach/community targeted
Bi-lingual – rural areas as well as urban – one size fits all will not work for Wales
Cost effective
Needs to link into cessation services
Strong social media strategy
Link campaigns to big sporting events/families and children/positive messages
Credible reporting options
Dogs