

Crimin

Crime continues to afflict Britain's small businesses, reports

Alex Blyth

Nigel Teague could hardly believe what he was hearing. He had caught someone stealing from his shop, had made a citizen's arrest and had called his local police station to ask someone to come down to arrest the criminal. The station told him that no one was available.

'It was appalling,' says Teague, the owner of The Collectors Record Store, a chain of two record and CD shops in Guildford and Kingston, Surrey. 'I had caught a well-known regular thief red-handed but had to let him go.' Having been a crime prevention officer himself for 17 years, Teague was less than impressed, so he demanded to speak to the duty officer. He was told that the duty officer was also unavailable. He recalls: 'The most galling thing was that half-an-hour later a police officer came running into our shop. She wanted directions to the shop up the road, which had just had a load of CDs stolen from it.'

The 2004 survey by the Federation of Small Businesses received 18,635 responses, and 58.5 per cent of them reported that they had been the victim of at least one crime during the past year. Vandalism, car theft, graffiti and shoplifting were the most common forms of crime and these crimes tended to be committed against hotels, restaurants, shops and businesses connected to vehicles. However, new forms of crime are beginning to affect small businesses that, until recently, had remained relatively sheltered.

The growth of fraud

When Jim Piper, owner of a small company that installs sound and lighting equipment in nightclubs, won a major new contract, he was delighted. 'It was a big job for us, worth around £150,000 altogether, and so we were perhaps overly keen to take it on,' he admits. The deal was through a third party and Piper's accountants had returned an unfavourable

Opening Hours

Monday - Saturday

9.30 am - 5.30 pm

Sunday 11-4

10% Nus Student Discount

*shoplifters will
not be prosecuted*

nal negligence

report of the credit-worthiness of that intermediary. 'He was the only person the club wanted us to deal with and he had a credible story to explain his previous credit problems, so we decided to trust him.'

Piper and his team installed the sound and light in the nightclub according to their contract, but never received the final payment of £77,000. The nightclub owners claim they made the final payment to the third party, and since Piper had no contract with the club itself, he has to track down the intermediary if he is to receive that payment. He is in the same situation as 10 other creditors and Piper estimates they are owed a total of about £750,000.

Despite the size of the crime, neither the regular police nor the Fraud Squad has taken

up the case. So Piper has been investigating himself: 'I looked on the Companies House register and the intermediary and the nightclub have the same directors listed, so it's easy to see how they've put this fraud together. They're smart enough, though, to make it very difficult to pin them down for anything. We're just hoping the Fraud Office will show some interest soon.'

Fraud is a growing problem for UK small businesses. According to the Association for Payment Clearing Services, one in three of them has been a victim of credit card fraud. A recent survey from accountancy firm MacIntyre Hudson showed that 38 per cent of small business owners see fraud as the single biggest threat to the security of their business, compared to 36 per cent citing burglary.

Among those worried about fraud, the biggest concern relates to the possibility of fraud by employees.

Police 'failures'

The police and government clearly have their work cut out. However, despite repeated requests, neither the Home Office nor the Association of Chief Police Officers was willing to tell *First Voice* about how it plans to help small businesses prevent crime. David Southwell, director of communications at the British Retail Consortium (BRC), believes that the Government has a schizophrenic approach to business crime. He says: 'On the one hand, the Home Office gave £1 million last year to fund the highly successful Retail Crime Partnerships. On the other, it is yet to make

'Although many police forces are working with retailers to reduce crime, not all are, and some small business owners do not feel supported by the police'



Nigel Teague was less than impressed with the response from his local police station when he caught a thief red-handed.

an Eyewitness