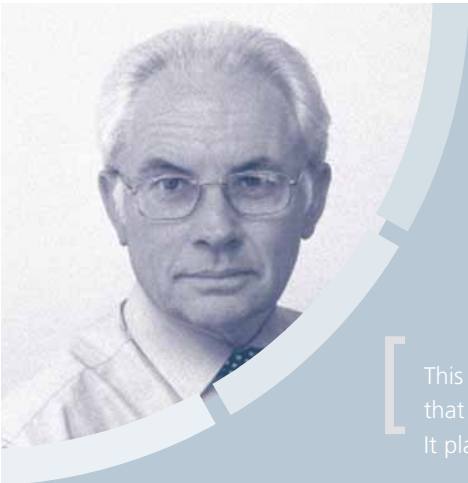




Retail Crime Survey | 2004-2005  
Key Facts





This year's results challenge any supposition that retail crime is on its way down. It plainly is not.

Losses from crime by value in 2004 were virtually the same as in 2000 and were significantly higher than in 2003.

Over the past five years retailers have spent over £3.5 billion on crime prevention and yet the losses from crime over the same period have been more than double the value of this investment – over £7 billion.

The average annual cost to the sector of crime has been £2.24 billion. Analysis of trends sees a gradual decrease in theft, although such offences still account for the vast majority of value losses against retail.

Burglaries, robberies and till snatches have all fallen in number but the amount of loss has fluctuated with some value increases. Fraud remains a continuous thorn with great variation in the tactics being adopted by fraudsters. In response to all these threats, retail has significantly increased its commitment and expenditure on loss prevention measures over recent years.

The most worrying trend, however, is the continuing growth in violence and verbal abuse directed at retail staff. While this is no doubt linked to the growing incidence of "yobbish" behaviour generally in our society that the Government has acknowledged and tackled, we need tougher policing and penalties to stop it.

Another sobering thought, of course, is that these figures, good or bad, do not reflect the true extent of retail crime. Many smaller retailers don't bother reporting these incidents because they think it's a waste of time – the police won't or perhaps can't do anything. Retailers must be reassured that the police take retail crime as seriously as any other form of criminal behaviour but they will only believe it when they see it happen.

The fixed penalty system for shop theft introduced by the Home Office last year and toughened up in response to representations by the BRC appear to have had some acceptance by the sector, although it is still too early to tell if there is any change to offending as a result. A question remains over the deterrent effect of ticketing on drug-fuelled shop thieves.

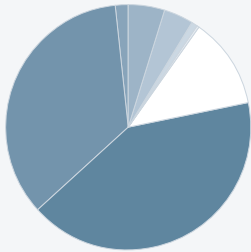
The BRC has campaigned successfully for many years for practical measures to combat crime against our sector, resulting in the creation of Action Against Business Crime which strives to create and support local business crime partnerships. Despite this, retail crime is still seen in too many quarters, including the media, as synonymous with shoplifting – by implication a rather trivial form of misbehaviour, which doesn't really hurt anyone. This couldn't be more wrong.

So we're raising the ante. The aim of our new campaign, Stop Crime Against Retail (SCAR), is to stimulate a sharper public focus on this problem and, above all, encourage both the Home Office and the police to recognise that retail crime goes to the heart of much of what is bad in our society – lack of respect, aggression, violence and drug and alcohol abuse. In a very real sense it's a scar on local communities and should be regarded as such.

By Dr. Kevin Hawkins OBE, Director-General, British Retail Consortium

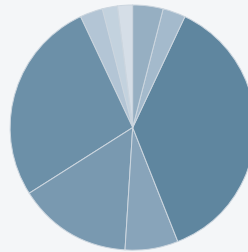
**Kevin Hawkins**

### Retail crime losses



Customer theft	41.5%
Staff theft	35.1%
Other	12.0%
Damage	1.7%
Fraud	4.8%
Burglary	3.9%
Robbery, till snatch	0.8%
Forecourt crime	0.3%

### Crime prevention



Security staff	37%
Theft protection	27%
Chip and PIN	15%
Cash collection	7%
Hardware, leasing and maintenance	4%
Anti-burglary	3%
Alarm monitoring	2%
Alarm systems	2%
Other	3%

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# Key Facts

	Total over last five years	Average cost per year
Losses from crime	£7.62 billion	£1.52 billion
Cost of crime prevention	£3.58 billion	£0.71 billion
Total cost of crime	£11.20 billion	£2.24 billion

In 2004 the total estimated cost of crime, including crime prevention, to the retail industry was £2.13 billion compared to £1.96 billion in 2003.

Total losses from retail crime in 2004 are estimated to have increased by £420 million since 2003, while the total cost of crime, including crime prevention, has increased by £170 million.

The amount spent on crime prevention in 2004 compared with 2003 is estimated to have decreased by £249 million. This is understandable after the huge investment made in 2003.

Violence against staff is still an area of concern for retailers. In 2004 verbal abuse was up 35% and physical violence against staff by 14% over 2003, continuing the worrying trend of recent years.

In 2004 burglaries cost the retail sector an estimated £55 million, a substantial decrease from the £111 million losses suffered in 2003 but comparable to the five-year average of £49 million. The number of known burglaries and attempted burglaries decreased in 2004 to 23 per 100 outlets, from 31 per 100 outlets in 2003, below the five-year average of 28 per 100.

	2000	2001	2002	2003	2004
Value of losses from crime	£1.70 billion	£1.80 billion	£1.70 billion	£1.00 billion	£1.42 billion
Cost of crime prevention	£0.76 billion	£0.61 billion	£0.54 billion	£0.96 billion	£0.71 billion
Total cost of crime	£2.50 billion	£2.41 billion	£2.25 billion*	£1.96 billion	£2.13 billion

\*Figures may not sum due to rounding errors

Customer theft is estimated to have cost the retail sector £589 million in 2004, a 44% increase from 2003, when the cost was £410 million but still below the five-year average of £665 million.

Incidents of known theft by customers increased in 2004 to 3,385 per 100 outlets from 2,866 in 2003 against a five-year average of 2,838. This indicates a worrying upward trend in both the number and overall value of incidents.

The value of losses attributed to staff theft has risen to £498 million from £282 million in 2003. This is due to an increase in the value of losses from unexplained staff crime. The losses in 2004, however, are still below the five-year average of £530 million.

Incidents of known staff theft have, however, remained the same as in 2003, with nine incidents per 1,000 staff, compared to a five-year average of eight per 1,000.

The cost of robbery rose to more than £8 million, up slightly from the £7 million reported in 2003. However, the number of incidents halved to four per 100 outlets, from eight per 100 outlets in 2003.

In 2004 the incidents of known till snatches returned to 2002 levels with eight incidents per 100 outlets recorded, a decrease from the 10 in 2003. This cost the industry £2.6 million, up from £1.7 million in 2003 and a substantial increase from the £0.58 million reported in 2002.

The cost of fraud increased during 2004, mainly as a result of card not present fraud. However, Chip and PIN seems to be working well and credit card fraud is down by 34%. In total, fraud cost the retail sector £68 million in 2004, up from the £61 million in 2003. Despite this increase, retailers are still having considerable success in combating fraud, reducing losses by 17% since 2002.

Criminal damage, including arson, has nearly doubled to £24 million from £14 million in 2003, well above the five-year average of £19 million.

# Policy statement

## Support

- The retail sector welcomes the continued drive by government to tackle crime. The increase in police numbers accompanied by investment in most areas of policing is needed and positive
- Commitments to reduce anti-social behaviour and the new 'Respect' agenda focusing on youth crime are very well received
- Retail supports additional investment into drug treatment programmes and the Drugs Act 2005 that extends the powers of police to test offenders on arrest, targeting a group of offenders who are a major cause of retail crime
- The localised 'neighbourhood' element to police reforms is positive and gives local people a greater opportunity to input into the manner of policing in their area.
- Government should instigate a renewed communication campaign, with the support of the sector, to raise awareness of the impact of violence against retail, sending out the messages of intolerance to such acts
- Crime reporting by victims must be encouraged to aid fuller analysis of the true extent of retail crime
- The Sentencing Advisory Panel and Home Office should separately review the approach to shop thieves by police and courts in light of new disposal policies (fixed penalty notices) and inconsistencies when compared to other offences
- Deficiencies in multi-police force investigations must be tackled, either through specific targets or positive incentives that reward completion of such investigations

## Key concerns

- Retail continues to lose £1.5 billion to retail crime annually. Evidence shows that the true picture of retail crime has been suppressed in government statistics by a culture of under-reporting
- Violent crime against retail continues to rise at an alarmingly steady rate. Abuse and violence are strongly linked to substance abuse and are associated with shop theft
- Police forces are prioritised to tackle non-commercial crime. There is no specific measurement of business/retail crime and this lack of transparency compounds the problem
- Investigations into organised crime are not properly co-ordinated across police forces. Even cases where losses exceed £100,000 can fail to receive police attention
- A widespread perception exists that reported crime largely goes unpunished. This leads to many SME retailers reporting less crime, creating a vicious circle of tolerance to criminals
- There is scope for enhanced partnerships between retail, government and police to investigate and encourage retail engagement with local police forces in influencing the determination of local priorities
- In light of the £700 million spent annually by the sector on crime prevention measures, government should review incentives and disincentives to the supply of security products
- The implementation of licensing of contracted security guards requires careful monitoring, to ensure that licensing does not lead to unaffordable costs, taking a flexible approach to timetables where appropriate.

The retail sector and BRC particularly highlights the work of two bodies over the past year in their efforts to combat retail crime nationally:

- Action Against Business Crime, a body that strives to create and support local business crime partnerships in towns and cities across the country. AABC has already helped foster a number of partnerships which help reduce crime locally by developing a co-ordinated response and facilitate the sharing of intelligence on offending
- 'ShopWatch' schemes where retail staff, by agreement with their employers, are trained and deployed as Special Constables around the immediate retail environment. This innovative scheme has already shown signs of positive results in terms of crime reduction and increased staff morale.

## Recommendations

- The system of crime reporting by police forces needs to be modified to specifically capture the incidence of crime against businesses



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