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Rt. Hon. Dame Diana Johnson MP  
Minister for Policing, Crime and Fire Prevention  
Home Office  
2 Marsham Street  
London SW1P 4DF

4 November 2024

Dear Minister,

The Lords Justice and Home Affairs Committee has concluded a short inquiry into shop theft.<sup>1</sup> We began the inquiry at the end of the last Parliament, resuming it in September. We held three evidence sessions and took written evidence from representatives of the police, retailers and partnerships involved in targeting shop theft.

We have set out our findings in the Annex to this letter, though the key conclusions and recommendations are also listed at the end of this letter. We would welcome a detailed response to our conclusions and recommendations before the Christmas Recess.

Shop theft is a serious problem and one that the public is concerned about. It has a huge effect on retailers and other businesses, but also impacts individuals, families and communities. We originally called the inquiry “Tackling Shoplifting”, but we agree with our witness, Professor Emmeline Taylor, that the word “shoplifting” is unhelpful— with “connotations of being trivial, petty and somehow victimless”.<sup>2</sup> That is emphatically not the case and the term should not be used. We have therefore decided to use the term “shop theft” throughout this letter, except in cases of direct quotation.

In the year to March 2024, 443,995<sup>3</sup> incidents of shop theft were recorded by police – a 30 per cent increase on the previous year and the highest-ever level since comparable records began over twenty years ago.<sup>4</sup> We were told these figures represent “a drop in the ocean” when compared with likely real figures.<sup>5</sup> We were told that: “Nearly £2 billion was lost to customer theft last year, almost double the previous year.”<sup>6</sup>

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<sup>1</sup> We address our recommendations to the Home Office. The Inquiry primarily relates to England and Wales, but we are interested in developments in other parts of the UK, and acknowledge that some of our witnesses have a UK-wide perspective.

<sup>2</sup> [Q 23](#) (Professor Emmeline Taylor)

<sup>3</sup> Office for National Statistics, ‘[Crime in England and Wales: year ending March 2024](#)’, (24 July 2024) [accessed 23/08/2024]

<sup>4</sup> [Q 22](#) (Professor Emmeline Taylor)

<sup>5</sup> [Q 22](#) (Professor Emmeline Taylor)

<sup>6</sup> [Q 26](#) (Professor Emmeline Taylor); The British Retail Consortium (BRC) has estimated that there are almost 17 million incidents of shop theft annually; and that between 2022-2023, customer theft cost the retail sector and the public £1.8 billion. The BRC estimated that taken with the cost of crime prevention measures, the

Shop theft is seriously underreported and is not being tackled properly. There is a widespread perception that shop theft is not treated seriously by the police which the recent media coverage has served to highlight. The perception of an inadequate response to tackling shop theft risks undermining confidence in the police and wider criminal justice system.

During our inquiry, we heard about the role of organised crime groups who are targeting the retail sector because it is seen as a lucrative business. We looked at the role of the Pegasus initiative, a business and policing partnership which was launched last year. We welcome the successes of Pegasus so far, but we are concerned about the long-term viability of the partnership without a longer-term commitment from the Home Office.

The focus on organised crime comes with a risk that ‘low level’ retail crime is not given sufficient attention. We believe there needs to be a strategy to deal with local prolific offenders as well.

We acknowledge the pressures on police resources but we believe that the urgency of the situation relating to shop theft requires immediate action within existing police staffing levels. Our key points are as follows:

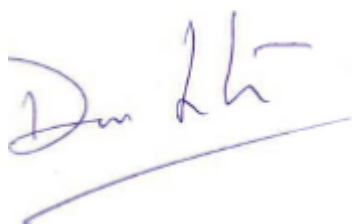
1. The use of the outdated term “shoplifting” serves to trivialise the serious, organised nature of an increasing element of shop theft which is having a devastating effect on the retail sector. We recommend its use should be phased out.
2. We welcome the Government’s commitment to create a new, standalone offence of assaulting a retail worker.
3. We support the Government’s decision to repeal section 176 of the Anti-social Behaviour, Crime and Policing Act 2014 which in practice decriminalises shop theft where the value of goods does not exceed £200. This should be achieved as soon as possible.
4. It is crucial that community-based interventions aimed at reducing reoffending and rehabilitation are prioritised. We recommend further investment in Community Sentence Treatment Requirements to tackle the large impact that drug and alcohol affected offenders are having on the levels of shop theft.
5. We recommend the development of improved reporting systems to expedite the process by which retailers can report crime to the police to combat the chronic underreporting problem.
6. We recommend that a “retail flag” system is introduced to enable police to identify when theft and violence offences have taken place in a retail setting

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annual overall cost of retail crime now stands at £3.3 billion. The British Retail Consortium, ‘*Crime Survey 2024 Report*’, (February 2024) <https://brc.org.uk/media/tubas22s/brc-crime-survey-report-media-2024.pdf> [accessed 19 October 2024]

within the Police National Database and criminal justice systems, to improve data collection.

7. We recommend that all 43 police forces must sign up to these systems in order for data and intelligence sharing to be effective.
8. We recommend that key performance indicators should be developed to monitor the effectiveness of forces against commitments made in the Retail Crime Action Plan.
9. We endorse the positive steps made by Pegasus to tackle organised retail crime and welcome the continuation of the scheme.
10. We recommend that the Home Office's funding for Pegasus should continue for at least a second year.
11. We recommend that signing up to the BCRP National Standards Accreditation Scheme should be compulsory for Business Crime Reduction Partnerships (BCRPs).
12. We recognise the need for a mechanism to ensure private sector involvement is carried out in accordance with an appropriate accreditation scheme to ensure companies are working in conjunction with the police and best practice procedure.
13. We recommend that the Government brings forward legislation to regulate the safe and ethical use of new technologies, especially by private companies for crime prevention measures. Facial recognition technology remains a concern and primary legislation embodying general principles and setting minimum standards is required.
14. We recommend that the Government introduce regulations to make it more difficult to sell stolen goods on online marketplaces anonymously.
15. We recommend the launch of a public information campaign to raise awareness of the impact of shop theft and the stolen goods market.



*Lord Foster of Bath*  
*Chair, House of Lords Justice and Home Affairs Committee*

## List of conclusions and Recommendations.

### *Shop theft*

- 1. The Committee is concerned that use of the historic term “shoplifting” is outdated, not least due to the rising involvement of organised crime, and is trivialising the severity of the offence. Clearly, the cumulative effect of what is still regarded as a petty or victimless crime is having a damaging effect on the retail sector and economy more widely.**
- 2. *The Committee does not believe that the term “shoplifting” should be used and would welcome a review by the relevant bodies and organisations within the criminal justice system to ensure that use of the term is phased out in legislation and guidance. We recommend that “shop theft” is used in all cases by the Home Office and the police.***
- 3. The Committee is concerned that section 176 of the Anti-social Behaviour, Crime and Policing Act 2014 is serving in practice to decriminalise shop theft where the value of goods does not exceed £200. We have heard evidence about how this piece of legislation is simply not working in the way that it was intended to and is in effect acting as a barometer for whether the police take action. We support the Government’s decision to repeal section 176 of the Anti-social Behaviour, Crime and Policing Act 2014, which should be achieved as soon as possible.**

### *Organised crime*

- 4. The Committee is concerned that the definition of “serious organised acquisitive crime” adopted by Pegasus does not go far enough to capture the kinds of organised local offending which currently falls short of the definition because it is taking place within one police force area as opposed to across two or more police force areas. We are concerned that the cross-jurisdictional requirement within the definition is an outlier and may arbitrarily be preventing police from tackling local organised offending under the Pegasus model.**
- 5. *We recommend that the definition of “serious organised acquisitive crime” adopted by Pegasus and Opal is amended to remove the cross-jurisdictional requirement that the series of offending takes place over two or more police force areas, which would allow resources to be directed towards tackling local***

*organised offending.*

6. It is clear to us from the evidence we have heard that shop theft has changed. Historically, “shoplifting” may have been seen as a low-level crime sometimes committed out of perceived necessity, but this is no longer the case. The impact of it can no longer be downplayed as petty or trivial. Broadly, the nature of the offence has evolved from individualised offending to relentless, large-scale, organised operations accompanied by unprecedented levels of violence. It is now seen as a lucrative profit-making opportunity which is being exploited by organised networks of criminals.

*Violence*

7. We welcome the Government’s commitment to create a new standalone offence of assaulting a shopworker, bringing the law in England and Wales into line with Scotland. This will help police forces to identify when violent offences have taken place in a retail setting, and enable forces to monitor their response and compare the effectiveness of crime prevention initiatives.

*Underreporting*

8. We are concerned about the impact on public confidence in the police as a result of the chronic underreporting problems. It is clear that many of those working in retail do not feel like there is any point in reporting the numerous crimes which take place on a daily basis within their stores if the process by which to do so is difficult and time consuming and not followed up by police.
9. We recommend the development of improved reporting systems to expedite the process by which retailers can report crime to the police. This includes the introduction of a ‘retail flag’ to identify in the Police National Database (PND) and criminal justice case management systems when a crime has taken place in a retail setting.

*Stolen goods*

10. We believe that more needs to be done to tackle the supply chain of stolen goods. We agree that work is needed to appeal to the public to consider the source of items they are buying – “if it is really cheap and too good to be true, then it is probably stolen.”<sup>7</sup> We also agree that there is a need for a public information campaign aimed at raising awareness about

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<sup>7</sup> [Q 18](#) (Amanda Blakeman); [Q 43](#) (James Lowman)

how the public can identify stolen goods and report it to the police to enable the police better to target individuals.

**11. The Committee urges the Government to create a public awareness campaign to target the stolen goods market, noting that there is a particular need for online campaigns through the use of social media to maximise the reach of the campaign.**

**12. We recommend that the Government introduce regulations to make it more difficult to sell stolen goods on online market places anonymously. This could include a requirement for online marketplaces to collect, verify and disclose identifying information about high-volume third-party sellers.**

#### *Intelligence sharing*

**13. In our view, it is clear that the police rely heavily on intelligence, information and data in order to tackle organised retail crime, yet we are concerned that the infrastructure is not in place on a national level for the retail sector to be able to quickly and efficiently share data and intelligence with the police and to promote information sharing between organisations.**

**14. Although we see the merits in establishing a national retail crime bureau, we consider that our earlier recommendation that the introduction of a retail crime flag on the PND and in criminal justice case management systems is the first step in achieving better reporting and triaging of retail crimes. We recommend that its use be implemented to improve data and intelligence gathering and sharing between forces.**

**15. We recognise the case for better information sharing between the retail sector and the police in order for police resources to be used to maximum effect. We recommend that all 43 police forces commit to signing up to better information sharing practices, including the use of the retail crime flagging system.**

**16. We welcome private sector involvement in conjunction with the appropriate accreditation scheme.**

#### *Community interventions*

**17. We published a report “Cutting crime: better community sentences” in December 2023 following an inquiry into the effectiveness of community sentences. We recommended that “Further investment in Community Sentence Treatment Requirements is required and should be a priority. CSTRs are key to reducing reoffending, putting offenders on a path away**

from crime and protecting the public.”<sup>8</sup> Having heard about the huge impact on the levels of shop theft that is being driven by drug and alcohol affected offenders, we reconfirm our belief that interventions aimed at reducing reoffending and rehabilitation need to be prioritised.

**18. We recommend increased funding to community-based reoffending and rehabilitation programmes. We would welcome a legislative review in favour of the presumption against short custodial sentences for drug-affected offenders and greater provision for community-based sentences with mandatory drug rehabilitation requirements.**

#### *Pegasus*

**19. We welcome the work of Pegasus which appears to be delivering positive results in responding to organised retail crime. The scale of the shop theft problem within England and Wales has reached unacceptable levels and we endorse the positive steps made by Pegasus to tackle it. Despite the financial assistance from individual retailers, it is important that Pegasus remembers its aim should be to assist and support all retailers in tackling crime for the benefit of society as a whole.**

**20. We recommend the development and publication of key performance indicators on a regular basis to measure the effectiveness of both Pegasus and the 43 police forces against the commitments set out in the Retail Crime Action Plan.**

**21. We recommend a continuing funding commitment from the Home Office to support the work of Pegasus.**

#### *Business Crime Reduction Partnerships*

**22. We acknowledge the work of BCRPs, but we believe that accreditation in line with the BCRP National Standards Accreditation Scheme is essential and it should be compulsory.**

#### *The use of new technologies*

**23. The Committee has serious concerns about the use of facial recognition technologies by private companies. We are concerned about the implications of what is effectively privatised policing, the hidden nature of the decisions being made on the basis of data matched with entries in a private database, and the lack of recourse for individuals who may have been wrongly entered in the database due to a misidentification. We are concerned about potential GDPR infringements and the risk of**

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<sup>8</sup> Justice and Home Affairs Committee, [Cutting crime: better community sentences](#), (1st Report, Session 2023-24, HL Paper 27) para 91

**misidentification due to bias and discrimination within the algorithms.**

**24. In our report ‘Technology rules? The advent of new technologies in the justice system’ we said: “Given the potential costs of technologies and the problems that can and do arise from their implementation, including with respect to privacy rights, freedoms, and discrimination, we consider that a stronger legal framework is required to prevent damage to the rule of law”.<sup>9</sup> We reiterate our earlier recommendation and believe there is a need for regulation of new technologies, particularly in relation to the use of it by private companies for crime prevention measures. We consider that this approach would strike a balance between concerns that an overly prescriptive law could stifle innovation and the need to ensure safe and ethical use of technologies.<sup>10</sup>**

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<sup>9</sup> Justice and Home Affairs Committee, [‘Technology rules? The advent of new technologies in the justice system’](#), (1st Report, Session 2021-22 HL Paper 180) para 61

<sup>10</sup> Justice and Home Affairs Committee, [‘Technology rules? The advent of new technologies in the justice system’](#), (1st Report, Session 2021-22 HL Paper 180) para 65



## ➤ Shop theft

1. The scale of the problem of shop theft in England and Wales cannot be overstated. In the year to March 2024, 443,995<sup>11</sup> incidents of shop theft were recorded by police – a 30 per cent increase on the previous year and the highest-ever level since comparable records began over twenty years ago.<sup>12</sup> We were told these figures represent “a drop in the ocean” when compared with likely real figures: the British Retail Consortium has estimated that there are almost 17 million incidents of shop theft annually, suggesting that “less than 3 per cent of shop thefts are currently being reported.”<sup>13</sup> During the course of our short inquiry, we have heard about the devastating impact that shop theft has on businesses—from large national corporations to small independent retailers. It was estimated by the British Retail Consortium that between 2022-2023, shop theft cost the retail sector £1.8 billion.<sup>14</sup>
2. “Shoplifting” is a term used to describe theft from a shop by taking something without paying for it. Professor Emmeline Taylor, Professor of Criminology, City, University of London, told us that “shoplifting” is “used by the Home Office and the police when they record crime to differentiate it from other types of theft ... the word is unhelpful – it still holds connotations of being trivial, petty and somehow victimless”.<sup>15</sup>
3. “Theft” is defined in section 1 of the Theft Act 1968 as the dishonest appropriation of property belonging to another with the intention to permanently deprive the other of it.<sup>16</sup> The Anti-social Behaviour, Crime and Policing Act 2014 introduced a new, summary-only offence (meaning it can only be tried in a Magistrates’ Court, where the maximum prison term that can be imposed cannot exceed six months’ imprisonment at present<sup>17</sup>). The new offence was termed “low-value shoplifting” for circumstances where an offence has taken place under section 1 of the Theft Act 1968 and where – (a) the value of the stolen goods does not exceed £200, (b) the goods were being offered for sale in a shop or any other premises, stall, vehicle or

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<sup>11</sup> Office for National Statistics, ‘[Crime in England and Wales: year ending March 2024](#)’, (24 July 2024) [accessed 23/08/2024]

<sup>12</sup> [Q 22](#) (Professor Emmeline Taylor)

<sup>13</sup> [Q 22](#) (Professor Emmeline Taylor)

<sup>14</sup> The British Retail Consortium, ‘*Crime Survey 2024 Report*’, (February 2024)

<https://brc.org.uk/media/tubas22s/brc-crime-survey-report-media-2024.pdf> [accessed 19 October 2024]

<sup>15</sup> [Q 23](#) (Professor Emmeline Taylor)

<sup>16</sup> Theft Act 1968, [section 1](#)

<sup>17</sup> A reform is due to come into force on 18 November 2024 which will increase Magistrates’ Court sentencing powers from six to twelve months’ imprisonment for a single triable either-way offence. A triable either-way offence is one which can be heard in either a magistrates’ or a Crown court. The change will not apply to summary-only offences, where the maximum sentence that can be imposed is determined by statute and is six months’ imprisonment or an unlimited fine. Magistrates are already able to impose a maximum aggregate sentence of 12 months’ imprisonment for two or more triable either-way offences, which will increase to 24 months’ imprisonment when the new legislation takes effect. Theft is a triable either-way offence, whereas “low-value shoplifting” under section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014 is a summary-only offence and will not be affected by the change.

place from which there is carried on a trade or business, and (c) at the time of the offence, the person accused of low-value shoplifting was, or was purporting to be, a customer or potential customer of the person offering the goods for sale.<sup>18</sup>

4. Professor Taylor described how the introduction of the summary-only offence under section 176 of the Anti-social Behaviour, Crime and Policing Act 2014 “essentially downgraded” theft from a shop of goods valued under £200 to what is now known as “low-value shoplifting”. Professor Taylor told us that the change had been introduced with “good intentions” with the aim of enabling police to deal swiftly with incidents of shop theft by issuing fixed penalty notices which could be dealt with by post, thereby avoiding the need to pursue the offender through the courts. However, in practice, the threshold set by the Act is being used as “a shorthand for whether the police would take action”. She told the Committee that many of the offenders she speaks to in her work “suggest that they have a licence to steal as long as they do not surpass the £200 limit.”<sup>19</sup> The Government has committed to repeal section 176 of the Anti-social Behaviour, Crime and Policing Act 2014 under new legislation set out in the King’s Speech.<sup>20</sup>
5. **The Committee is concerned that use of the historic term “shoplifting” is outdated, not least due to the rising involvement of organised crime, and is trivialising the severity of the offence. Clearly, the cumulative effect of what is still regarded as a petty or victimless crime is having a damaging effect on the retail sector and economy more widely.**
6. ***The Committee does not believe that the term “shoplifting” should be used and would welcome a review by the relevant bodies and organisations within the criminal justice system to ensure that use of the term is phased out in legislation and guidance. We recommend that “shop theft” is used in all cases by the Home Office and the police.***
7. **The Committee is concerned that section 176 of the Anti-social Behaviour, Crime and Policing Act 2014 is serving in practice to decriminalise shop theft where the value of goods does not exceed £200. We have heard evidence about how this piece of legislation is simply not working in the way that it was intended to and is in effect acting as a barometer for whether the police take action. We support the Government’s decision to repeal section 176 of the Anti-social Behaviour, Crime and Policing Act 2014, which should be achieved as soon as**

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<sup>18</sup> Anti-social Behaviour, Crime and Policing Act 2014, [section 176](#)

<sup>19</sup> [Q 23](#) (Professor Emmeline Taylor)

<sup>20</sup> HL Deb, 23 July 2024, [col 539](#) [Commons Chamber]; HL Deb, 24 July 2024, [col 521](#) [Lords Chamber]

possible.

### Recent trends

8. Professor Emmeline Taylor explained the driving factors behind what she described as a “tsunami of shop theft across the UK”<sup>21</sup> – “the underlying root causes of it are typically social factors”. She described how poverty, homelessness, mental health issues or drug addiction typically tend to drive shop theft and told us that “austerity measures have withdrawn vital services required by individuals who might be suffering one or several of those factors.” Professor Taylor told us how the COVID-19 pandemic “amplified these issues” to create the “perfect storm”.
9. Katy Bourne, Police and Crime Commissioner for Sussex, told us how shop theft offenders typically fall into three categories:
  - a. opportunistic thieves who tend to be younger (though not always) who “see an opportunity and in they go”;
  - b. prolific offenders who are often driven by drug and alcohol misuse to steal from shops time and time again;
  - c. and organised crime gangs who are operating across multiple police force areas with impunity.<sup>22</sup>
10. We heard that organised crime groups are deliberately targeting the retail sector across the UK, “because it is perceived as relatively soft and lucrative.”<sup>23</sup> Professor Emmeline Taylor told us that the “Centre for Social Justice estimates that 70 per cent of prolific local organised criminals are stealing to fund a drug addiction.”<sup>24</sup> The distinction lies within the definition of what constitutes “organised” crime. The National Police Chiefs’ Council (NPCC) has responsibility for an intelligence unit named Opal, which originally had five strands dealing with all aspects of serious and organised acquisitive crime.
11. A sixth strand was created – Project Pegasus – which is a business and policing partnership dedicated to addressing organised retail crime. As Professor Taylor explained “Pegasus, and by extension Opal, has a very clear definition of ‘serious organised acquisitive crime’. A key factor in that definition is that it is a network of individuals who operate across two or more police forces.” She explained that Pegasus looks at “networks, mobility and cross-jurisdictional activity”<sup>25</sup> which is why some prolific local offenders do not fall within the definition despite their criminal activity having an organised nature, the main reason being that “a large proportion of

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<sup>21</sup> [Q 22](#) (Professor Emmeline Taylor)

<sup>22</sup> [Q 2](#) (Katy Bourne)

<sup>23</sup> [Q 30](#) (Professor Emmeline Taylor)

<sup>24</sup> [Q 25](#) (Professor Emmeline Taylor)

<sup>25</sup> [Q 24](#) (Professor Emmeline Taylor)

offenders operate in one police force area.”<sup>26</sup>

12. Other organisations do not include a jurisdictional requirement within the definition. His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services defines serious and organised crime as “serious crime that is planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, motivated by financial gain.”<sup>27</sup> The British Independent Retailers Consortium defines organised retail crime as involving “professional criminals who systematically target multiple retailers to steal large quantities of merchandise for resale or illicit distribution.”<sup>28</sup>
13. Professor Taylor told us about another category of “local prolific offenders” who “have reached a scale of activity and established pre-arranged networks of buyers or fences for the stolen goods they steal that can only be described as organised, yet they operate in only one police force area.” We heard an example of how a drug-affected prolific offender who is homeless could be housed by a local woman who provides accommodation and a safe place to administer drugs in exchange for his agreement to steal items on a shopping list of goods each day. She would then contact her established network of buyers, found through an online market place initially, who in turn provide her with shopping lists to pass on.<sup>29</sup>
14. We heard about the scale of offending by these types of offenders. We were told that a typical daily drug addiction [for someone addicted to crack cocaine and heroin] costs £300 per day to sustain. Stolen goods typically resell for around a third of the retail price, meaning that a drug-addicted offender would need to steal approximately £900 worth of goods per day and have an established network of buyers to shift the stolen goods in order to convert it into money to buy drugs.<sup>30</sup> On the basis of these figures, a single offender can cause over £300,000 worth of losses to the retail sector in just one year.
- 15. The Committee is concerned that the definition of “serious organised acquisitive crime” adopted by Pegasus does not go far enough to capture the kinds of organised local offending which currently falls short of the definition because it is taking place within one police force area as opposed to across two or more police force areas. We are concerned that the cross-jurisdictional requirement within the definition is an outlier and may arbitrarily be preventing police from tackling local organised**

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<sup>26</sup> Q 25 (Professor Emmeline Taylor)

<sup>27</sup> HMI Constabulary and Fire and Rescue Services, ‘Serious and organised crime (SOC)’: <https://hmicfrs.justiceinspectors.gov.uk/glossary/serious-organised-crime/> [accessed 16/10/2024]

<sup>28</sup> British Independent Retailers Consortium, ‘Retail Crime’, [https://bira.co.uk/policy-campaigns/retail-crime/#:~:text=Organised%20Retail%20Crime%20\(ORC\)%3A,pose%20significant%20challenges%20for%20retailers.](https://bira.co.uk/policy-campaigns/retail-crime/#:~:text=Organised%20Retail%20Crime%20(ORC)%3A,pose%20significant%20challenges%20for%20retailers.) [accessed 16 October 2024]

<sup>29</sup> Q 25 (Professor Emmeline Taylor)

<sup>30</sup> Q 25 (Professor Emmeline Taylor)

**offending under the Pegasus model.**

**16. We recommend that the definition of “serious organised acquisitive crime” adopted by Pegasus and Opal is amended to remove the cross-jurisdictional requirement that the series of offending takes place over two or more police force areas, which would allow resources to be directed towards tackling local organised offending.**

17. Large national retailers and small independent retailers have observed rising levels of shop theft in recent years. Paul Gerrard, Campaigns, Public Affairs and Board Secretariat Director of The Co-op Group, described a 44 per cent increase in crime over the past 18 months within The Co-op’s 2,500 stores. He described the level of impunity that thieves are operating with: “what is driving the 44 per cent increase is people who are stealing to order in huge volumes. People are coming into our store with wheelie bins and builder’s bags to steal the entire confectionary section, the entire spirits section, the entire meat section.”<sup>31</sup> Theft on this scale is not unique to larger retailers, as James Lowman, Chief Executive of the Association of Convenience Stores told us: “As well as the volume of theft, what has probably changed is its brazenness. Rather than sneaking in and stealing some items, people are now clearing whole shelves.”<sup>32</sup>

18. One particularly concerning aspect of the rise in shop theft offences is the rise in violence that accompanies it. James Lowman told us that “shop theft is one of the biggest triggers for violence against shop workers – and retailers- when they challenge shop thieves. People committing these offences are often in a heightened state: they often have dependency and addiction problems, and they are desperate. That can escalate very quickly.”<sup>33</sup> Paul Gerrard told us that The Co-op had seen a 35 per cent rise in the levels of violence and abuse over the previous 18 months, which has dipped slightly in 2024 but remains at a very high level. He painted a grim picture of the threats that Co-op colleagues contend with on a daily basis if attempting to challenge someone stealing:

*“There will be a threat, there will be a violent threat. There might be a knife. There might be a syringe. Colleagues have been attacked with a medieval mace. Colleagues have lost an eye. Colleagues have miscarried. What comes with what Emmeline described is a level of violence, abuse and threat that nobody in retail – and I have colleagues who have been in retail for 40 years – has ever seen before ...  
... We have had to move colleagues from their home, because they have been followed from the store to their home and threatened at their home. These are people running a store that, during the pandemic, was the only place people could go. When we were all told to stay at home and keep safe, my colleagues were in those stores making sure that people could buy food and water. They are being followed home at times and threatened at home.”*

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<sup>31</sup> [Q 25](#) (Paul Gerrard)

<sup>32</sup> [Q 35](#) (James Lowman)

<sup>33</sup> [Q 35](#) (James Lowman)

19. Witnesses expressed concern about the “relatively hidden nature” of the trend of increasing violence as, in spite of the severity of many of these attacks, the issue is “hidden behind this vernacular of shoplifting”.<sup>34</sup> Professor Taylor drew our attention to work she was commissioned to produce by The Co-Op<sup>35</sup>. She told us about the cumulative harm that experiencing aggression and threats and being witness to high levels of crime can have on a retail worker, including panic attacks, anxiety<sup>36</sup>
20. Paul Gerrard told us how in Scotland, where a standalone offence for violence against shopworkers has been in force since 2022, the response rate by the police to crimes of violence against shopworkers is six times the response rate in England. He told us that in Scotland, 60 per cent of reported incidents of violence against a shop worker result in arrest, whereas in England and Wales it is less than 10 per cent.<sup>37</sup> Superintendent Patrick Holdaway, lead for the National Business Crime Centre (NBCC) told us: “I do not believe that the introduction of a dedicated offence alone will deter people from assaulting shopworkers, however, from a police perspective it will allow police forces to better identify offences.” He explained that assaults against shopworkers are currently recorded in the same way as any other assault, which makes it difficult to identify those against shopworkers. He explained “when we can identify this group, it will be easier to compare performance by forces, identify best practice and assess the success, or otherwise, of crime prevention initiatives.”<sup>38</sup>
- 21. It is clear to us from the evidence we have heard that shop theft has changed. Historically, “shoplifting” may have been seen as a low-level crime sometimes committed out of perceived necessity, but this is no longer the case. The impact of it can no longer be downplayed as petty or trivial. Broadly, the nature of the offence has evolved from individualised offending to relentless, large-scale, organised operations accompanied by unprecedented levels of violence. It is now seen as a lucrative profit-making opportunity which is being exploited by organised networks of criminals.**
- 22. We welcome the Government’s commitment to create a new standalone offence of assaulting a shopworker, bringing the law in England and Wales**

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<sup>34</sup> Q 26 (Professor Emmeline Taylor)

<sup>35</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024) [https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206\\_-\\_STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206_-_STEALING_WITH_IMPUNITY.pdf); Professor Emmeline Taylor. ‘It’s Not Part of the Job’, (September 2019) [https://openaccess.city.ac.uk/id/eprint/23666/1/It\\_s\\_not\\_part\\_of\\_the\\_job\\_report.pdf](https://openaccess.city.ac.uk/id/eprint/23666/1/It_s_not_part_of_the_job_report.pdf) [accessed 19 October 2024]

<sup>36</sup> Q 26 (Professor Emmeline Taylor)

<sup>37</sup> Q 27 (Paul Gerrard)

<sup>38</sup> Written evidence from Spt. Patrick Holdaway, National Business Crime Centre, City of London Police (TSL0007)

**into line with Scotland. This will help police forces to identify when violent offences have taken place in a retail setting, and enable forces to monitor their response and compare the effectiveness of crime prevention initiatives.**

23. An issue that arose repeatedly throughout our inquiry was the problem with underreporting of shop theft offences. Katy Bourne told us that it “became apparent several years ago that there was an issue with shoplifting at a local level going unreported and that it was happening in large volumes”.<sup>39</sup> We were told that there were multiple reasons for this including the time it takes to report a crime; the resources needed to cover other work while one member of staff reports the crime, which is often not possible in smaller retailers with few staff; the lengthy and arduous police online reporting system; and the “lack of feeling that the police would do anything about it, as when they reported in the past there was not the response that they expected.”<sup>40</sup>
24. A Freedom of Information request by The Co-Op showed that in the first quarter of 2023 the police did not attend the scene in 70 per cent of cases where Co-op employees had reported a crime.<sup>41</sup> Paul Gerrard remarked that “if the police are not turning up, the confidence that my colleagues have to report incidents to the police diminishes, and their willingness to do so diminishes.”<sup>42</sup>
25. In relation to the problem with underreporting, James Lowman told us that “no one has an accurate figure because a lot of retailers do not bother to report crime. They do not believe anything will happen if they report it to the police, and they therefore think the most effective thing is just not to report it.”<sup>43</sup> However, Chief Constable Amanda Blakeman of North Wales Police and the National Police Chief’s Council (NPCC) lead for volume crime told us that “we are encouraging shop workers to report when any violence is used” and she disputed the suggestion that this sends out the message that any crime not involving violence is therefore not worth reporting. She said “we have worked really hard to make sure that we have avenues to be able to capture CCTV evidence in shops, which is the critical evidence that the shop worker has.”<sup>44</sup>
26. James Lowman also acknowledged that “in some areas, we are seeing much better protocols for reporting: simple online systems for reporting crime, followed up by the police, with information given back to the retailer, particularly about identifying those prolific repeat offenders who are responsible for so much of the crime.” He nevertheless noted: “At the moment, the biggest barrier to a retailer reporting is that

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<sup>39</sup> [Q 2](#) (Katy Bourne)

<sup>40</sup> [Q 2](#) (Katy Bourne)

<sup>41</sup> [Q 25](#) (Paul Gerrard)

<sup>42</sup> [Q 25](#) (Paul Gerrard)

<sup>43</sup> [Q 35](#) (James Lowman)

<sup>44</sup> [Q 3](#) (Amanda Blakeman)



they just do not think anything will happen.”<sup>45</sup> Professor Taylor’s work commissioned by The Co-op highlighted the importance of police forces being able to measure their performance against the commitments made in the Retail Crime Action Plan (see paragraph 19). She noted the absence of a code or flag within police systems to highlight that an offence took place in a retail setting and recommended that a ‘retail flag’ be introduced to identify in the Police National Database (PND) and criminal justice case management systems to enable police to monitor changes in frequency and severity of crimes as well as performance against the Retail Crime Action Plan.<sup>46</sup>

**27. We are concerned about the impact on public confidence in the police as a result of the chronic underreporting problems. It is clear that many of those working in retail do not feel like there is any point in reporting the numerous crimes which take place on a daily basis within their stores if the process by which to do so is difficult and time consuming and not followed up by police.**

**28. We recommend the development of improved reporting systems to expedite the process by which retailers can report crime to the police. This includes the introduction of a ‘retail flag’ to identify in the Police National Database (PND) and criminal justice case management systems when a crime has taken place in a retail setting.**

29. Although it is a complex picture, witnesses told us that the recent rise in retail crime offences could not be attributed to the cost-of-living crisis alone. James Lowman, Chief Executive of the Association of Convenience Stores, told us that one of the underreported and under-recognised features of the cost of living crisis “is that we are not seeing loads of new people suddenly starting to steal. Some new people will be stealing but, by and large, our members report that it is the same people. However, we have seen a greater appetite to buy those stolen goods.”<sup>47</sup> This observation was echoed by Professor Taylor.<sup>48</sup> Chief Constable Amanda Blakeman told us how some individuals have been “exploiting the cost-of-living crisis” to sell on stolen goods in places like housing estates and car boot sales as well as sales on online market places and social media platforms.<sup>49</sup>

30. Adam Ratcliffe, Operations Director of the Safer Business Network CIC [Community Interest Company], told us that organisations such as his within private industry could play a role in targeting receivers of stolen goods, with more time and resources than the police typically have to identify Instagram, Etsy and TikTok

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<sup>45</sup> [Q 35](#) (James Lowman)

<sup>46</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024)

[https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206\\_-\\_STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206_-_STEALING_WITH_IMPUNITY.pdf) [accessed 19 October 2024]

<sup>47</sup> [Q 43](#) (James Lowman)

<sup>48</sup> [Q 30](#) (Professor Emmeline Taylor); [Q 25](#) (Paul Gerrard)

<sup>49</sup> [Q 18](#) (Amanda Blakeman)



accounts being used to facilitate the sale of stolen goods.<sup>50</sup> Detective Chief Superintendent Jim Taylor conceded that from a policing perspective “the challenge with social media ... is that as soon as we ask them to take it down, a new one will appear, we are just chasing our tail with it.” Amanda Blakeman, who is NPCC lead for Volume Crime, told us that her panel (comprising Jim Taylor Opal and Katy Bourne) “have been working very closely with the Policing Minister on what is available to enable us to work with eBay, Facebook Marketplace – all those opportunity areas where people sell things online – to show how those providers can be better at policing those areas.”<sup>51</sup> She said she was working on addressing areas such as requirements to submit identification documents in order to sell items on the platform, making things trackable and no cash payments.

31. James Lowman’s view was that not “nearly enough” was being done to investigate the chain of supply of stolen goods. He told us that there was potential to view the scale of the problem as a data resource, which if used effectively could help to locate repeat offenders, their handlers and the people reselling stolen goods. “All that adds up to a lot of very serious crime and very motivated criminals who could be addressed and taken out of the system and the cycle.”<sup>52</sup> Witnesses were in agreement<sup>53</sup> that more public awareness was needed around retail crime, particularly with respect to the second-hand market. Professor Taylor suggested that this could be done by poster campaigns, pursuing plausible and repeat reports of businesses buying stolen goods, using trackers to build evidence of larger-scale operations (particularly those involving licensed goods such as alcohol and tobacco), and launching criminal proceedings against businesses found to be handling stolen goods.<sup>54</sup>

**32. We believe that more needs to be done to tackle the supply chain of stolen goods. We agree that work is needed to appeal to the public to consider the source of items they are buying – “if it is really cheap and too good to be true, then it is probably stolen.”<sup>55</sup> We also agree that there is a need for a public information campaign aimed at raising awareness about how the public can identify stolen goods and report it to the police to enable the police better to target individuals.**

**33. The Committee urges the Government to create a public awareness campaign to target the stolen goods market, noting that there is a particular need for**

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<sup>50</sup> Q 43 (Adam Ratcliffe)

<sup>51</sup> Q 10 (Amanda Blakeman)

<sup>52</sup> Q 43 (James Lowman)

<sup>53</sup> Q 18 (Jim Taylor); Q 18 (Amanda Blakeman); Q 43 (James Lowman)

<sup>54</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024), p8

[https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206\\_-\\_STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206_-_STEALING_WITH_IMPUNITY.pdf) [accessed 19 October 2024]

<sup>55</sup> Q 18 (Amanda Blakeman); Q 43 (James Lowman)

*online campaigns through the use of social media to maximise the reach of the campaign.*<sup>56</sup>

34. *We recommend that the Government introduce regulations to make it more difficult to sell stolen goods on online market places anonymously. This could include a requirement for online marketplaces to collect, verify and disclose identifying information about high-volume third-party sellers.*<sup>57</sup>

➤ **Challenges for Policing**

35. Due in part to the issues with underreporting retail crime to the police, we heard about the difficulties the police have in interpreting the data to ascertain the relative contribution of organised crime on shop theft. DCS Jim Taylor told us that reliance on information and intelligence is crucial to managing organised crime. He said: “When we are only seeing a very small element of the picture, we do not see the bigger picture around organised crime, and that is crucial for us in identifying OCGs [organised crime groups].”<sup>58</sup> Amanda Blakeman explained that the online sophistication of criminals means that police officers have to receive very different training than was standard twenty years ago.<sup>59</sup> She explained how Opal, and the work of Pegasus aims to gain the confidence of the retail community to report crime to the police so that they can understand the data better and more holistically. Although they are not yet in an advanced position to be able to interpret the data in the way she would like, she told us: “We have lots of plans in place to be able to collect the data, understand it better, and equip and deploy our resources better in order to combat the problem.”<sup>60</sup>

36. Jim Taylor told us that currently “we do not know” how much shop theft is accounted for by organised crime accounts. The solution to this is gathering data and mapping it against police criteria to establish what is organised crime, and what is localised offending. He said: “That strategic assessment would distil all that information to have a coherent picture of what organised retail crime looks like.”<sup>61</sup>

37. Professor Emmeline Taylor pointed out that “if retailers reported all those estimated 17 million incidents it would quadruple police recorded crime overnight. I do not

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<sup>56</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024), p8  
[https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206 - STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206 - STEALING_WITH_IMPUNITY.pdf) [accessed 19 October 2024]

<sup>57</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024)  
[https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206 - STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206 - STEALING_WITH_IMPUNITY.pdf) [accessed 19 October 2024]

<sup>58</sup> Q 3 (Jim Taylor)

<sup>59</sup> Q 4 (Amanda Blakeman)

<sup>60</sup> Q 4 (Amanda Blakeman)

<sup>61</sup> Q18 (Jim Taylor)

believe that that is necessarily the right answer.”<sup>62</sup> She told us how looking at the response to another high-volume crime type – fraud – could help establish a successful strategy in response to the rise in retail crime. This would involve the creation of a national retail crime intelligence bureau which would replicate the structures of the National Fraud Intelligence Bureau established in 2006, which would assist the reporting and triaging of retail crimes.

38. We heard about initiatives that are being trialled to make the process of reporting crime easier. Katy Bourne told us about a pilot scheme running in Sussex in collaboration with Sussex Police, The Co-op and the National Business Crime Solution (a not-for-profit organisation) called One Touch Reporting. She said that “in 22 of The Co-op stores, we have reduced the reporting time from 30 minutes down to two minutes at the press of a button. Using an API [Application Programming Interface], the information goes straight from that store into Sussex Police systems.”<sup>63</sup>

**39. In our view, it is clear that the police rely heavily on intelligence, information and data in order to tackle organised retail crime, yet we are concerned that the infrastructure is not in place on a national level for the retail sector to be able to quickly and efficiently share data and intelligence with the police and to promote information sharing between organisations.**

**40. Although we see the merits in establishing a national retail crime bureau, we consider that our earlier recommendation that the introduction of a retail crime flag on the PND and in criminal justice case management systems is the first step in achieving better reporting and triaging of retail crimes. We recommend that its use be implemented to improve data and intelligence gathering and sharing between forces.**

41. To improve the police response to incidents of reported shop theft, the Retail Crime Action Plan, published in October 2023 by the National Police Chiefs’ Council<sup>64</sup> sets out a number of new measures for police forces to use as guidance. Amanda Blakeman told us that part of the work she has been doing on the Retail Crime Action Plan has been on “making sure that all 43 forces across the country sign up to the commitment to attend every instance where a shop theft is reported and where an offender is detained, or where an offender has used violence against an individual, or where there is evidence to collect in response to a shop theft.”<sup>65</sup>

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<sup>62</sup> Q 26 (Professor Emmeline Taylor)

<sup>63</sup> Q 8 (Katy Bourne)

<sup>64</sup> NPCC, ‘Retail Crime Action Plan’, (October 2023),

<https://nbcc.police.uk/images/2023/News%202023/Retail%20Crime%20Action%20Plan%20-%20October%202023.pdf> [accessed 18 October 2024]

<sup>65</sup> Q 2 (Amanda Blakeman)

42. Adam Ratcliffe told us that in his view, there are two main areas which are key to achieving a more successful response to dealing with prolific and organised shop theft offenders, “sharing of information and intelligence, and multiagency collaborative working.” He said “we need to be able to make the police as efficient as possible with their resources, by the private sector, the third sector and industry working collaboratively to paint a much clearer picture so that the police can be very efficient with their resources”.<sup>66</sup> He spoke of the importance of using the “wealth of information, understanding and knowledge” in the industry as an untapped resource to help the police identify and catch prolific offenders in order to see the “true scope of the problem”.

**43. We recognise the case for better information sharing between the retail sector and the police in order for police resources to be used to maximum effect. We recommend that all 43 police forces commit to signing up to better information sharing practices, including the use of the retail crime flagging system.**

**44. We welcome private sector involvement in conjunction with the appropriate accreditation scheme.**

45. We were told about the “frustration” felt by police officers when dealing with the same offenders repeatedly after “putting them before the court but finding that they are back out and quite quickly reoffending.”<sup>67</sup> James Lowman told us that when dealing with local offenders who commit high volumes of crime, the “challenge is to have those crimes reported so that those individuals can be dealt with, whether through sentencing, rehabilitation orders or whatever it might be to take them out of the cycle of reoffending.”<sup>68</sup> In Professor Taylor’s report ‘*Stealing with Impunity*’, she states “The average custodial sentence given for a shop theft is two months, and usually an individual would serve considerably less in prison after automatic release.”<sup>69</sup> She recommends that “diverting drug-affected prolific retail offenders away from short custodial sentences and into effective treatment and recovery” is one way to tackle the issue.

**46. We published a report “Cutting crime: better community sentences” in December 2023 following an inquiry into the effectiveness of community sentences. We recommended that “Further investment in Community Sentence Treatment Requirements is required and should be a priority. CSTRs are key to reducing reoffending, putting offenders on a path away**

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<sup>66</sup> [Q 36](#) (Adam Ratcliffe)

<sup>67</sup> [Q 18](#) (Amanda Blakeman)

<sup>68</sup> [Q 43](#) (James Lowman)

<sup>69</sup> Professor Emmeline Taylor, ‘Stealing with Impunity’, (February 2024), p16

[https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206\\_-\\_STEALING\\_WITH\\_IMPUNITY.pdf](https://assets.ctfassets.net/5ywmq66472jr/3Re0b6dWQGHGCdIKW5iMDo/00caf6bc62f8b4062aa92663cd5b11b4/20240206_-_STEALING_WITH_IMPUNITY.pdf) [accessed 18 October 2024]

from crime and protecting the public.”<sup>70</sup> Having heard about the huge impact on the levels of shop theft that is being driven by drug and alcohol affected offenders, we reconfirm our belief that interventions aimed at reducing reoffending and rehabilitation need to be prioritised.

**47. We recommend increased funding to community-based reoffending and rehabilitation programmes. We would welcome a legislative review in favour of the presumption against short custodial sentences for drug-affected offenders and greater provision for community-based sentences with mandatory drug rehabilitation requirements.**

➤ **Pegasus/Opal**

48. In October 2023, the Retail Crime Action Plan was launched by the National Police Chief’s Council.<sup>71</sup> The plan recognised the necessity to develop a partnership approach between policing and all retailers. It sets out guidelines for forces to follow which have been balanced “in relation to the necessity for attendance (immediate vs delayed) against the national approach around threat, risk and harm that applies across the broad spectrum of policing.”<sup>72</sup> The guidance includes commitments by the police to attend incidents where an offender has been identified or detained, or to those that involve violence, and a pledge to follow up on any evidence that could reasonably lead to catching a perpetrator. The plan also includes advice for retailers on how to provide the best possible evidence for police to pursue in any case, this includes electronically sharing CCTV images that capture the whole incident via a Digital Evidence Case Management System (DEMS).

49. The Retail Crime Action Plan, published in October 2023, acknowledges the threat of serious and organised retail crime. We were particularly interested in the role of Pegasus, a collaboration between retailers and police. Pegasus sits under Opal (the National Intelligence Unit for Serious and Organised Acquisitive Crime). Opal is the responsibility of the National Police Chiefs’ Council (NPCC). Professor Taylor, who sits on the steering committee for Pegasus, explains that Pegasus is evolving so that it is fully subsumed under the structure of Opal.<sup>73</sup>

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<sup>70</sup> Justice and Home Affairs Committee, [Cutting crime: better community sentences](#), (1st Report, Session 2023-24, HL Paper 27) para 91

<sup>71</sup> NPCC, ‘Retail Crime Action Plan’, (October 2023), <https://nbcc.police.uk/images/2023/News%202023/Retail%20Crime%20Action%20Plan%20-%20October%202023.pdf> [accessed 19 October 2024]

<sup>72</sup> NPCC, ‘Retail Crime Action Plan’, (October 2023), <https://nbcc.police.uk/images/2023/News%202023/Retail%20Crime%20Action%20Plan%20-%20October%202023.pdf> [accessed 19 October 2024]

<sup>73</sup> [Q 24](#) (Emmeline Taylor)

50. Pegasus involves 15 high street retailers<sup>74</sup>, who are members along with the National Business Crime Solutions (NBCS) and the Home Office. The retailers are supported by Mitie, a private company, and the board administration is undertaken by the Association of Police and Crime Commissioners (APCC). Funding has been secured for two years, 2024–25 and 2025–26. The retailers and NBCS have each committed £60,000 over two years. The Home Office committed £30,000 for one year.
51. Police and Crime Commissioner Katy Bourne, the Business and Retail Crime Lead at the APCC, explained that the inspiration for Pegasus came following an approach by several major retailers who had been meeting to discuss the problem of organised criminality. They recognized that while individual police forces had been doing “good work” they were “not joining up the dots with other forces”.
52. Operation Pegasus, and by extension Opal, has a very clear definition of “serious organised acquisitive crime”. Professor Taylor explained: “A key factor in that definition is that it is a network of individuals who operate across two or more police forces.”<sup>75</sup> She acknowledged this meant that Pegasus “would not look specifically at lower value” crime. There was a difficulty when it came to local prolific local organised criminals who only operated in one local police force area.<sup>76</sup>
53. The NBCS told us that while Pegasus has been “well-received”, the project “primarily targets high-level criminal empires, which traditional policing has struggled to penetrate due to limited resources”.<sup>77</sup> Jim Taylor confirmed that: “The retail crime team will be focusing mostly on the people who cause the most threat, harm and risk to shop workers and the public.”<sup>78</sup>
54. Jim Taylor, head of Opal, told us that the Pegasus partnership provides an opportunity to address known shortcomings in the collection of data. “The work in partnership provides us with an opportunity to look at the partnership data as well as police data for the first time, so that we blend those two pieces of information together.” He also noted: “One of the high harms we will be focusing on is where organised crime groups are exploiting children and using them to steal goods, which will certainly increase the prioritisation of that group.”<sup>79</sup>
55. We received an update from the Association of Police and Crime Commissioners (APCC) following the last Pegasus board meeting on 30 August 2024. We were told

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<sup>74</sup> These retailers are Aldi, B&Q, Boots, Coop, Halfords, John Lewis, Lidl, M&S, Morrisons, Next, Primark, Proctor & Gamble, Sainsburys, Tesco and TJX. Written evidence from the Association of Police and Crime Commissioners ([TSL0004](#).)

<sup>75</sup> [Q 24](#) (Emmeline Taylor)

On the specificity of Pegasus versus other partnerships that focus only on a specific territory [Q30](#) Paul Gerrard

<sup>76</sup> [Q 25](#) (Emmeline Taylor)

<sup>77</sup> Written evidence from National Business Crime Solution (NBCS) ([TSL0006](#))

<sup>78</sup> [Q 5](#) (Jim Taylor)

<sup>79</sup> [Q 5](#) (Jim Taylor)

of the following positive outcomes which had taken place as a result of Pegasus' work:

- 49 arrests have taken place, linked to 15 organised Crime Groups (OCGs) and/or High Harm Individuals. It is estimated that these individuals are responsible for £3.4m of loss to retailers.
- 2 deportations of key OCG members who were responsible for causing £205,000 worth of loss across 3 retailers over the last 3 years.
- 6 ½ years combined custodial sentences, with 3 further conspiracy charges to include over 120 offences.
- 169 identifications of previously unknown individuals which supported the reopening of previously closed investigations and lines of enquiries.
- The identification of 39 vehicles associated with and used for organised retail crime purposes.
- 74 intelligence submissions from retailers bringing industry intelligence into policing.<sup>80</sup>

56. Witnesses sought to downplay concerns that Pegasus only worked for the benefit of those retailers who were part of it. Small retailers are represented on Pegasus through National Business Crime Solutions. Katy Bourne sought to reassure us that Pegasus worked “for the greater good” and not just “for the individuals round the table.”<sup>81</sup> She explained: “It works as a partnership, as a team, and that is why it is so important that policing has ultimate operational independence, oversight and say.”<sup>82</sup>

57. We wanted to know whether there were disadvantages for businesses not involved with a scheme like Pegasus. James Lowman described a situation where offenders travel from one area to another across police force boundaries to commit shop theft on an organised scale, who would be caught as part of Pegasus' remit. He acknowledged that these offenders may have committed crimes in local independent stores while travelling and so “it is good for us to have them taken out of the system, if that is the effect.”<sup>83</sup> Katy Bourne told us that “the work that Opal is doing is the national work to map OCGs, which will have a benefit to everybody in the longer term because once they get disrupted it will filter down”<sup>84</sup>. She said “the whole ethos of the Pegasus governance group is that this is for the greater good, not for the individuals round the table.”<sup>85</sup>

58. Amanda Blakeman agreed that organised crime groups are not discriminating against particular stores, so targeting those individuals “allows us to cover the breadth of the retail community rather than concentrating on becoming a private police service for

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<sup>80</sup> Written evidence from the Association of Police and Crime Commissioners ([TSL0004](#))

<sup>81</sup> [Q 15](#) [Katy Bourne]

<sup>82</sup> [Q 15](#) (Katy Bourne)

<sup>83</sup> [Q 43](#) (James Lowman)

<sup>84</sup> [Q 15](#) (Katy Bourne)

<sup>85</sup> [Q 15](#) (Katy Bourne)



one particular company.”<sup>86</sup> James Lowman said he did not “fear a massive knock-on effect for the smaller stores but there is a risk that city-centre and town-centre initiatives that focus on making those places much safer could displace crime into the outlying areas. We need to think about how we deal with that.”<sup>87</sup>

**59. We welcome the work of Pegasus which appears to be delivering positive results in responding to organised retail crime. The scale of the shop theft problem within England and Wales has reached unacceptable levels and we endorse the positive steps made by Pegasus to tackle it. Despite the financial assistance from individual retailers, it is important that Pegasus remembers its aim should be to assist and support all retailers in tackling crime for the benefit of society as a whole.**

**60. We recommend the development and publication of key performance indicators on a regular basis to measure the effectiveness of both Pegasus and the 43 police forces against the commitments set out in the Retail Crime Action Plan.**

**61. We recommend a continuing funding commitment from the Home Office to support the work of Pegasus.**

### **Other initiatives**

62. The Committee also heard about the existence of other partnerships aimed at reducing crime. Sophie Jordan, Manager, the National Association of Business Crime Reduction Partnerships (NABCP) told us about Business Crime Reduction Partnerships (BCRPs) which are independent, not-for-profit organisations funded mainly by subscriptions from the member businesses within the partnership area. She told us that their role “is to bring everybody in a community together, with a partnership between businesses, the police, the local authority and other key stakeholders, such as drug and alcohol groups and homeless groups, to address and prevent crime and disorder.”<sup>88</sup>

63. Sophie Jordan told us that BCRP membership costs a business around £500 a year per premises, in exchange for “the tools and services that you need to prevent yourself and the entire community being a victim of crime”.<sup>89</sup> This often includes a walkie-talkie radio network where businesses can communicate with each other to share real-time information about crime happening in the area. A typical feature of BCRPs is the presence of an online software incident and intelligence reporting

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<sup>86</sup> [Q 15](#) (Amanda Blakeman)

<sup>87</sup> [Q 43](#) (James Lowman)

<sup>88</sup> [Q 37](#) (Sophie Jordan)

<sup>89</sup> [Q 37](#) (Sophie Jordan)



system where businesses can report incidents to enable the analysis of information and identification of crime trends. BCRPs organise briefings and intelligence meetings which members are encouraged to attend, which are also attended by police and other agencies including the probation service to enable the business community to provide feedback about trends and concerns within the partnership area.

64. Sophie Jordan told us that member businesses within a BCRP are encouraged to report every incident that happens in or near to their premises, including theft, violence, abuse, prevented theft and anti-social behaviour.<sup>90</sup> She told us how “the business crime reduction partnership will deal with the low-level crime, build up an intelligence profile of who the most prolific offenders are, notify businesses of the most high-risk people who they really need to watch out for to enable them to prevent that crime happening again ... and flag up with the police who the most prolific offenders are.”<sup>91</sup> Police are provided with “workable crime reports that they can get a good result from”, which is then fed back to businesses so “they can see that action is being taken”.<sup>92</sup>
65. We heard positive endorsements from our witnesses about the effectiveness of BCRPs. Professor Taylor told us that “they hold great promise for providing local intelligence gathering, a deterrence capacity on our high streets, and a rapid response where they see vandalism, anti-social behaviour street drinking.”<sup>93</sup> She added that the “real strength in these partnerships is that they prevent crime in the first place and, where they see it, they can prevent it from escalating.” Professor Taylor also told us that a lot of work has been done by the NBCC to develop the BCRP National Standards and “create a really robust accreditation scheme” but that achieving accreditation is still voluntary. She said that she would like to see more commitment from police and crime commissioners to drive accreditation for BCRPs operating within their jurisdictions. “I would like to see them elevated and having more support. Many operate on a shoestring despite the huge amount of activity that they perform on behalf of the retail sector, the police and the security sector.”<sup>94</sup>
66. We were interested to hear whether the witnesses thought there should be a responsibility on businesses to fund policing partnerships. Adam Ratcliffe told us that “industry has demonstrated its willingness to fund initiatives if they work”, similarly James Lowman told us that the onus fell jointly on businesses and the state, whereas Sophie Jordan thought more state funding was needed, although she also thought that it was responsibility of businesses to look after themselves and emphasised the importance of taking an active role.<sup>95</sup>

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<sup>90</sup> [Q 37](#) (Sophie Jordan)

<sup>91</sup> [Q 37](#) (Sophie Jordan)

<sup>92</sup> [Q 37](#) (Sophie Jordan)

<sup>93</sup> [Q 29](#) (Professor Emmeline Taylor)

<sup>94</sup> [Q 29](#) (Professor Emmeline Taylor)

<sup>95</sup> [Q 41](#) (Adam Ratcliffe, James Lowman), [Q 40](#) (Sophie Jordan)

67. **We acknowledge the work of BCRPs, but we believe that accreditation in line with the BCRP National Standards Accreditation Scheme is essential and it should be compulsory.**
68. We heard about the crucial role that CCTV evidence plays in enabling the police to identify offenders and build an intelligence picture. Amanda Blakeman told us of the commitments set out within the Retail Crime Action Plan to ensure that police attend the scene of a reported crime to collect the “critical evidence”<sup>96</sup>. However, following the publication of our report, ‘Technology rules? The advent of new technologies in the justice system,’<sup>97</sup> and our follow-up work on Live Facial Recognition technology<sup>98</sup>, we were particularly interested to hear about the role of facial recognition technology in preventing this type of crime.
69. Professor Taylor explained the difference between live and retrospective facial recognition technology: “You have live facial recognition cameras that are focused on a specific area, and as people pass through that area their images are streamed directly to the system and compared to a watchlist ... You then have retrospective facial recognition. It is used after the event as part of a criminal investigation, and images are typically supplied from CCTV, mobile phones, dashcams, doorbells, et cetera. Those images are then compared against images of people taken on arrest to identify a suspect”.<sup>99</sup>
70. We heard that the Police National Database uses retrospective technology (as opposed to live facial recognition technology) to cross-match an image of the relevant individual against any images stored on the database of people who have passed through custody units across the country. Amanda Blakeman told us: “If we get a match in relation to that, we use that as part of the intelligence picture of the investigation and seek to triangulate it with other evidence that might be available”.<sup>100</sup> She said that retrospective facial recognition technology “is a really important tool for us in identifying individuals as part of an investigation” though she told us that “it is a slightly different concept for stores. Within stores, there might be opportunities for providers that are nothing to do with policing to identify people who have cropped up repeatedly in that store or other stores.”<sup>101</sup>

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<sup>96</sup> [Q 3](#) (Amanda Blakeman), [Q 7](#) (Amanda Blakeman)

<sup>97</sup> Justice and Home Affairs Committee, ‘[Technology rules? The advent of new technologies in the justice system](#)’, (1st Report, Session 2021-22 HL Paper 180)

<sup>98</sup> Letter dated 26 January 2024 from Baroness Hamwee, Chair Justice and Home Affairs Committee to Rt. Hon. James Cleverly MP, Home Secretary, regarding the outcome of the Committee’s investigation into the use of Live Facial Recognition (LFR) Technology by police forces in England and Wales: <https://committees.parliament.uk/publications/43080/documents/214371/default/>

<sup>99</sup> [Q 32](#) (Professor Taylor)

<sup>100</sup> [Q 19](#) (Amanda Blakeman)

<sup>101</sup> [Q 19](#) (Amanda Blakeman)

71. The use of live facial recognition by the police and other sectors was described by Professor Taylor as “controversial”<sup>102</sup>—a view that was expanded upon by Adam Ratcliffe who said: “There is such nervousness in that industry around the legalities and human rights element, because with live facial recognition you are scanning everyone, so you are processing somebody’s data as they walk into the store, even if they are not an offender. So there are concerns about accuracy.”<sup>103</sup> We heard from Big Brother Watch, a civil liberties and privacy campaigning organisation, told us that “innocent people are at serious risk of being wrongly flagged by the technology” and that they have “supported legal action for a number of people who have been either wrongly added to private watchlists or publicly ejected from stores, searched and humiliated following private facial recognition misidentifications.”<sup>104</sup>
72. Big Brother Watch also told us that in its view “it is highly likely that such mass, indiscriminate biometric processing by private companies for loss prevention is unlawful under GDPR”.<sup>105</sup> We were told that “the use of live facial recognition surveillance has been prohibited by regulators across Europe under the GDPR, the same data protection framework that applies in the United Kingdom” and that “at a state level, the EU AI Act, passed earlier this year, broadly prohibits the use of live facial recognition surveillance by authorities given the extraordinary risks it poses to individuals’ rights and freedoms.”<sup>106</sup> Big Brother Watch also told us about the potential for bias and discrimination within the algorithms that power surveillance software which increases the risk of misidentification, it told us: “Studies have shown that LFR is less accurate for people with darker skin”.<sup>107</sup>
73. It is clear that some businesses are using facial recognition technologies supplied by private companies. James Lowman told us: “The numbers using it are still relatively low. We are certainly talking about sub-10 per cent of stores using it ... Some individual retailers use it, and many of them report good results. When it works for them, it works because of the recognition; they can match against the database of other local offenders who are part of that scheme.”<sup>108</sup> We were told that when the face of someone who matches an entry on the database of known offenders is scanned by the technology upon entry to the business, a notification is sent to the retail worker’s phone. Big Brother Watch told us there “is no criminal threshold for being placed on a watchlist, and private facial recognition companies such as Facewatch do not receive information from or send information to the police – it is effectively a privatised policing system.”<sup>109</sup>

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<sup>102</sup> [Q 32](#) (Professor Taylor)

<sup>103</sup> [Q 44](#) (Adam Ratcliffe)

<sup>104</sup> Written evidence from Big Brother Watch ([TSL0005](#))

<sup>105</sup> Written evidence from Big Brother Watch ([TSL0005](#))

<sup>106</sup> Written evidence from Big Brother Watch ([TSL0005](#))

<sup>107</sup> Written evidence from Big Brother Watch ([TSL0005](#))

<sup>108</sup> [Q 44](#) (James Lowman)

<sup>109</sup> Written evidence from Big Brother Watch ([TSL0005](#))

74. This means an individual can be placed on a private facial recognition watchlist and blacklisted from their high street (and subscribing retailers across the region) at the discretion of a security guard, without any police report being made and without the individual being informed that they have been added to a watchlist. When a match is made, the retail worker is left with a choice of whether to interact with the individual. James Lowman said: “It can also bring forward the moment and the trigger for the confrontation, which we know can lead to serious issues.”<sup>110</sup> Paul Gerrard told us that The Co-op does not use live facial recognition and has no plans to introduce it, he said “we know that if a colleague goes to intervene, what will happen is at best abuse but more likely will be violence, So we do not see what helpful intervention it drives.”<sup>111</sup>

**75. The Committee has serious concerns about the use of facial recognition technologies by private companies. We are concerned about the implications of what is effectively privatised policing, the hidden nature of the decisions being made on the basis of data matched with entries in a private database, and the lack of recourse for individuals who may have been wrongly entered in the database due to a misidentification. We are concerned about potential GDPR infringements and the risk of misidentification due to bias and discrimination within the algorithms.**

**76. In our report ‘Technology rules? The advent of new technologies in the justice system’ we said: “Given the potential costs of technologies and the problems that can and do arise from their implementation, including with respect to privacy rights, freedoms, and discrimination, we consider that a stronger legal framework is required to prevent damage to the rule of law”.<sup>112</sup> We reiterate our earlier recommendation and believe there is a need for regulation of new technologies, particularly in relation to the use of it by private companies for crime prevention measures. We consider that this approach would strike a balance between concerns that an overly prescriptive law could stifle innovation and the need to ensure safe and ethical use of technologies.<sup>113</sup>**

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<sup>110</sup> [Q 44](#) (James Lowman)

<sup>111</sup> [Q 32](#) (Paul Gerrard)

<sup>112</sup> Justice and Home Affairs Committee, ‘[Technology rules? The advent of new technologies in the justice system](#)’, (1st Report, Session 2021-22 HL Paper 180) para 61

<sup>113</sup> Justice and Home Affairs Committee, ‘[Technology rules? The advent of new technologies in the justice system](#)’, (1st Report, Session 2021-22 HL Paper 180) para 65