

## Cold calling - a serious warning

17 Nov 2010 by Jancis Robinson

**18 Nov** - see end of this article for more information.

As fine wine prices spiral, so does the number of people using wine as an excuse to part you from your money, sometimes with malicious intent. I was contacted by a Purple pager yesterday asking whether I knew anything about a company called City Wine Traders of London EC2 who were very persistently cold calling him. City Wine Traders may be perfectly legitimate, but I know nothing about them and am always wary of a business that claims to be run by very experienced people but never names any of them.

Here's what Jim Budd, who specialises in investigating drinks scams, has to say about City Wine Traders:

*I've had a couple of enquiries about them. Recently set up: 21 Apr 2010 yet claim great experience. Devonshire Square [the address given on their website] is a serviced/virtual office. Listed on my site in companies from whom I wouldn't buy wine [here](#).*

Gary Boom of fine-wine traders Bordeaux Index opines thus:

*The dodgy boys divide up into three groups:*

- 1-people who sell you wine but never deliver (they don't last long)*
- 2-people who sell you wine at around 15%-40 % mark-up and actually deliver*
- 3-people who charge between 30-100% mark-up and deliver the wine*

*The people who survive and do well are group 2, who claim their mark-ups are no different from Harrods etc.*

In general terms, the most reliable fine-wine merchants, traders and brokers do not indulge in cold calling. Be very suspicious indeed of any outfit you have never heard of that contacts you trying to sell you wine. A good start would be to check our [Where to buy](#) section in Resources. We don't claim it is exhaustive, but we do feel confident about those listed on it. You can also take a look at Jim Budd's [investdrinks.org](#), which also provides information on known fraudsters. His [blog](#) on the same subject is more up to date, he tells me.

And here's a sinister new development. Lionel Nierop of Bid for Wine sends the following important warning.

*I'd like to draw attention to what appears to be a new scam in the already murky world of wine investment - namely hijacking the name of an established business. The fraudsters then use the name to sell wines for investment, presumably with the intention of pocketing investors' funds and leaving the legitimate business taking the heat.*

*I became aware of the 'scam' yesterday evening after I was emailed by a gentleman wishing to complain about several cold calls made to him, ostensibly by one of my employees. The caller was apparently rude and persistent.*

*The email was a surprise and puzzled me for several reasons:*

- Firstly we do not solicit for business by cold-calling.*
- Secondly we have no employee with the name I was given.*
- Thirdly I am deeply sceptical about wine investment in general. This stems from regularly having to auction off stock for people who have been mis-sold wines as being suitable for investment and have then seen the deal gone sour. I would always advise anyone considering putting their money in to wine to look beyond the sales pitch and, if still convinced, only to purchase wines from serious, long standing 'blue chip' merchants.*

*I am sure that we at Bid for Wine ([www.bidforwine.com](#)) are not the only ones who are having our name misused in this manner and I would urge the trade to be vigilant and anyone being contacted by cold-callers selling wine as an investment to take details and pass them on to the police. In addition, if anyone encounters our name in association with such a sales pitch I would be very grateful for any information!*

Tom Lewis, aka [CambridgeWineBlogger](#), makes the following point:

*Cold calling is actually illegal [in the UK] under the Data Protection Act - unless the caller has obtained your prior permission to contact you.*

*Any easy way to ward off cold-callers is to ask two questions:*

- from where did you get my details?*
- from where have you obtained my permission to contact me?*

*If they cannot answer either question sensibly, they may well be in breach of the DPA.*