

# Detailed guide: Carrier bag charges: retailers' responsibilities

*Updated:* Updated the amount of money generated for good causes and the amount of bags distributed under the 'Dealing with the proceeds' heading.

You must charge a minimum of 5p for single-use carrier bags in England if you're a large retailer. If you don't, you could be [fined](#).

A large retailer employs 250 or more full-time equivalent employees (in total and not just in retail roles) in a year.

[Work out if you count as a large retailer.](#)

You must charge if you:

- sell goods in England
- deliver goods to England

As a retailer:

- the charge is for non-reusable bags (single-use bags)
- you must charge for bags used for collections and deliveries
- you don't need to charge an extra 5p if you're already charging 5p or more for bags

If you're a small or medium-sized business, you can charge and follow the scheme voluntarily. You don't have to report or keep records for carrier bag use.

[Read why there's a charge for carrier bags.](#)

## **Bags you charge for**

You must charge a minimum of 5p a bag (including VAT) for carrier bags that are all of the following:

- unused – it's new and hasn't already been used for sold goods to be taken away or delivered
- plastic and 70 microns thick or less
- it has handles, an opening and isn't sealed

## **Monitor self checkouts**

You must do all you can to make sure that you charge for bags at self checkouts. For example, the checkouts ask shoppers how many bags they used and charges for them.

## **Charging for deliveries and click-and-collect bags**

You must charge for plastic bags used for deliveries and online sales, including click-and-collect (and similar) collections.

The number of bags used isn't always known until delivery takes place. This means you can charge for an average number of bags for multi-bag deliveries, as long as 5p or more is charged per bag overall.

You can also offer bagless delivery as an option – this will cut down on waste.

## **Bags you're not required to charge for**

Some bags are exempt – you don't have to charge for these, but can if you want to.

You don't have to charge if the bag only contains certain items, but if you add other items then you must charge.

For example, you're not required to charge for a bag containing an unwrapped blade and unwrapped loose seeds. But if you add a box of cornflakes then you would have to charge.

## **Returnable bags and bags for life**

You're not required to apply the 5p charge for:

- woven plastic bags
- multiple reuse bags (bags for life), when replaced, if originally sold for 5p or more

You can still charge for these bags but you don't need to record sales and proceeds as you do with single-use carrier bags.

A returnable multiple reuse bag must be all of the following:

- sold for 5p or more
- suitable for reuse
- replaced free of charge if returned to you when worn out

## **Food and plants**

You're not required to charge for plastic bags that are for:

- uncooked fish and fish products
- uncooked meat, poultry and their products
- unwrapped food for animal or human consumption – such as chips, or food in containers that aren't secure enough to prevent leakage during handling
- unwrapped loose seeds

- flowers
- bulbs, corms or rhizomes (roots, stems and shoots, such as ginger).
- goods contaminated by soil (like potatoes or plants)

## **Products**

You're not required to charge for bags:

- for unwrapped blades, including axes, knives, and knife and razor blades
- for prescription medicine
- used for a service, but there is no sale of goods, for example dry cleaning

## **Live fish and aquatic creatures**

You're not required to charge for bags holding live fish or other aquatic creatures.

## **Packaging, transport and promotions**

You're not required to charge for bags:

- for goods in transport, such as at an airport or on a train, plane or ship
- considered as sealed packaging for mail order and click-and-collect orders
- used to give away free promotional material

## **Work out if you're a large retailer**

You need to work out how many full-time equivalent employees you have at the start of each reporting year.

The reporting year runs from 7 April each year to 6 April in the following year.

(The first reporting period – for the first 6 months of the scheme – ran from 5 October 2015 to 6 April 2016.)

## **Work out your number of employees**

On the first day of the reporting year calculate how many full-time equivalent employees you have:

1. Work out how many hours a full-time employee would work in a year (for example 40 hours by 52 weeks is 2,080).
2. Multiply this by the amount of full-time workers there for the full year (for example 200 workers by 2,080 is 416,000).
3. Work out part-time and seasonal workers' hours by multiplying their weekly hours by the weeks worked (for example 100 workers by 20 hours by 10 weeks, added to 100 workers by 40 hours by 25 weeks is 20,000 plus 100,000, giving 120,000).

4. Add the full-time and part-time or seasonal workers' hours together (for example 416,000 plus 120,000 is 536,000).
5. Divide this by the amount of hours a full-time employee would work in a year (for example 536,000 divided by 2,080 is 257.7)

If this number is 250 or more, then you must charge for bags.

## Franchises and symbol groups

If your store is part of a franchise or symbol group (an independent retailer that shares a brand-name shop and products) you only count employees in your business.

You don't count the franchise or symbol group as a whole.

For example if you're part of a symbol group and you own:

- 10 stores in a symbol group and have more than 250 employees in total – you must charge
- 2 stores with 15 employees – you don't have to charge

## Records you must keep and submit

You must keep a reporting year's records for 3 years from 31 May in the following reporting year. For example, you must keep the records for 5 October 2015 to 6 April 2016 until 31 May 2019. You can be [fined](#) if you don't.

You'll also need to consider [HM Revenue and Customs guidance on VAT](#).

You must record for the whole reporting year:

- the number of single-use carrier bags you supplied
- the gross and net proceeds of the charge
- any VAT in the gross proceeds
- what you did with the proceeds from the charge
- any [reasonable costs](#) and how they break down

## Register and report your records

The deadline for submitting your records was 31 May 2018.

1. Before you can report your records, you need to [register to create a username and password](#).
2. When you've completed the registration process, you'll be able to [use the carrier bag reporting website](#) to submit your records.

If you're a large retailer, you must report on the period from 7 April 2017 to 6 April 2018 or you could be [fined](#).

Small or medium businesses can voluntarily submit records on the period from

7 April 2017 to 6 April 2018.

Email Defra at [PlasticBagCharge@defra.gsi.gov.uk](mailto:PlasticBagCharge@defra.gsi.gov.uk) for more information about submitting records.

The data retailers submit will be published as Open Government Data under the Open Government Licence.

## **Reasonable costs**

Reasonable costs include new costs you incurred by following the law on charging. This might include:

- the cost of changing till systems
- training staff
- communicating the policy to staff and customers
- getting expert advice
- administering donations to good causes

You can't include existing costs, such as the cost of the bags.

## **Replying to public enquiries**

Members of the public can ask you for copies of your carrier bag records. You must give them copies within 28 days.

## **Dealing with the proceeds**

Once you've deducted reasonable costs, it's expected that you'll donate all proceeds to good causes, particularly environmental causes.

Since the government introduced the charge:

- it's generated approximately £146.2 million for good causes
- the seven key retailers have distributed around 15.6 billion fewer bags

We [publish a summary](#) which includes the results reported to us by retailers, and the amounts of money given to good causes.

## **Getting inspected**

Your local authority inspects you to check you are following the law. Inspectors can:

- visit your shop or store
- make test purchases
- speak to staff
- demand records

Inspectors don't have to give you warning but can carry these out as 'secret shopper' exercises. If they find a problem they can:

- issue a non-compliance notice stating what you must do to fix the problem
- impose a fixed penalty
- impose a variable penalty
- order you to publicise (such as adverts in local papers or posters in your store) that you've broken the law, what your penalty was and how you're now complying

Inspectors can order you to cover the cost of the investigation if you break the law.

## Trading across different regions

If you trade across different regions of the UK, you can [apply for a Primary Authority agreement](#). You can then choose to deal with just one local authority rather than the authorities in each area you trade in.

## How much you can be fined

Your local authority must publish details of fine levels, and when it will impose them, on its website.

You can't receive a variable fine if you've already received a fixed fine for the same problem, unless you've received a non-compliance notice for the problem.

### Fixed penalties

Problem	Penalty
Not charging for bags appropriately	£200
Not keeping records	£100
Not supplying records	£100

### Variable penalties

Problem	Maximum penalty
Not charging for bags appropriately	£5,000
Not keeping records	£5,000
Not supplying records	£5,000
Giving false or misleading information to, or otherwise obstructing or failing to assist the local authority	£20,000

### Paying fines on time

Fines are:

- reduced by 50% if you pay within 28 days
- increased by 50% if you fail to pay within 56 days

## **Appeals and objections**

You can object within 28 days of you receiving a fine, the fine or letter will tell you how to do so.

You can appeal a penalty if you feel your fine was wrong, unreasonable or based on an error. You can also appeal if you feel that your non-monetary requirement is unreasonable, or if the variable amount penalty is too high.

## **Further information**

You can read the [policy on the carrier bag charge](#) and [Defra's view on biodegradable bags](#).

You can also [get artwork explaining the charges](#) to use in your shop or store.