

# Press release: Proposals for consumer protections when companies collapse unveiled

- Government to consider new laws to protect consumers who have prepaid for products when a business becomes insolvent
- proposed measures will include guaranteeing consumer schemes like Christmas savings clubs can safeguard customers' money
- reforms are part of the government's modern Industrial Strategy to ensure markets work in the interests of consumers

New laws to protect consumers who have already paid for products but not received them when businesses go bust will be considered by the government, it was announced today (Thursday 27 December).

Business Secretary Greg Clark confirmed that next year the government will consult on laws requiring consumer prepayments to be protected in particular sectors. This would further strengthen the government's ability to respond quickly to problems involving consumers who have prepaid for goods or services before a firm becomes insolvent. Common forms of prepayment include internet orders, the purchase of gift vouchers and money saved in payment schemes marketed as forms of saving like Christmas savings clubs.

If a business running a savings club becomes insolvent, consumers' money is not protected unlike when it is saved in a UK-regulated bank account. New laws proposed today would see this money safeguarded, with legislation requiring businesses to adopt measures to protect customers against losses – whether that is through trusts, insurance or other mechanisms.

Business Secretary Greg Clark said:

When consumers prepay for items through savings clubs it is reasonable to expect that if something goes wrong, their money should have some degree of protection. The measures we are consulting on will give shoppers greater peace of mind.

It's all part of how we're helping make markets fairer for all, especially the most vulnerable, as part of our modern [Industrial Strategy](#) – with more to come next year through our comprehensive Consumer White Paper.

The consultation is part of the [government's response](#) to a report by the Law Commission on consumer protections in the event of insolvencies. The Law Commission had been asked by the government to investigate the issue and make recommendations, and [their final report was published in 2016](#).

Today's announcement builds on recent measures from the government to protect consumers following insolvencies, including working to increase the proportion of funds that can be paid to unsecured creditors – who are often consumers – in the event of insolvencies.

The government has also worked with the card payment industry, consumer groups and others to deliver guidance on 'chargeback' schemes, in which consumers can ask their credit or debit card issuer to reclaim prepayments on their behalf following insolvencies. The guidance, published last year, raises consumer awareness of the availability of chargeback and clarifies to insolvency practitioners that they are not favouring consumers over other creditors if they appropriately publicise the availability of chargeback.

In April 2018, the government published its [Consumer green paper](#) to examine markets which are not working fairly for consumers. This includes examining digital markets, where payments are made before delivery and insolvencies can result in customers not receiving the goods they have ordered. The findings of the Law Commission will also be considered as part of the government's Consumer White Paper, to be published next year.

The measures announced today include a commitment from the government to work with consumer groups and businesses to clarify the law so that it is clearer at what point a consumer legally owns a product.

There are cases where a consumer will have paid for goods which are still in a retailer's possession when the retailer enters administration or becomes insolvent, making it unclear if legal ownership of the goods has been transferred and can be used to pay creditors or not.

By working to clarify the law, the government will ensure that consumers get what they are owed.

[Government response to the Law Commission Report](#)

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## [Press release: Turkey dinner and tax returns](#)

Completing your tax return may not be top of your priorities on Christmas Day, but that didn't stop 2,616 taxpayers from filing their Self Assessment returns on 25 December.

For some taxpayers completing their return on Christmas Day is as traditional as spending time with family and friends, or waiting for the Boxing Day sales to start. The peak time was between 1pm and 2pm, when more than 230 customers filed.

Angela MacDonald, HMRC's Director General for Customer Services, said:

This year, more than 2,600 taxpayers chose to file their returns on Christmas Day.

Whether you fit it in while cooking the Christmas turkey, or after the kids have gone to bed, or after the Queen's Speech, our online service is available for you to file your tax return at a time that suits you.

Self Assessment guidance is available [online](#).

More than 11 million taxpayers are expected to complete a 2017 to 2018 Self Assessment tax return form by 31 January 2019.

The number of tax returns filed during this period were:

25 December (total 2,616)

- midnight to 08.00: 204
- 08.01 to 16.00: 1,372
- 16.01 to midnight: 1,040

26 December (total 8,465)

- midnight to 08.00: 348
- 08.01 to 16.00: 4492
- 16.01 to midnight: 3,625

For any customers who are yet to start their 2017 to 2018 Self Assessment, there are films and webinars that take you through each stage of the process, with bespoke guidance for people's varying circumstances. Help is also available on [GOV.UK](#) or from the Self Assessment helpline on 0300 200 3310, and on social media.

If customers completed a Self Assessment tax return last year but didn't have any tax to pay, they still need to complete a 2017 to 2018 tax return unless HMRC has written to them to say that it is not required.

Filing figures:

- 2,616 taxpayers filed on 25 December 2018
- Peak filing hour on 25 December was between 1 and 2pm (231 tax returns filed)
- 8,465 taxpayers filed on 26 December 2018
- Peak filing hour on 26 December was between 1 and 2pm (723 tax returns filed)

Tax is automatically deducted from the majority of UK taxpayers' wages, pensions or savings. People or businesses that do not have tax automatically

deducted, or that they may have earned additional untaxed income, are required to complete a Self Assessment tax return each year.

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## [Press release: Homes England supports local authority deliver pilot MMC scheme](#)

Homes England is encouraging partners to develop and use MMC through a range of initiatives and the provision of development finance.

One local authority is exploring the use of MMC to deliver homes for affordable rent through an innovative pilot scheme. Nuneaton and Bedworth Council (NBBC) has just completed its first modular build having securing £120,000 worth of funding from Homes England.

The pilot development consists of four modular semi-detached two bedroom properties, built on former garage sites on Ashington Road, Bedworth and has been used to test the feasibility of using modular housing to increase the pace of housing delivery.

Mat Byrne, Head of Development for NBBC said “We identified modular development as an efficient and cost effective solution to respond to the growing demand for housing. We started from scratch and worked with a local firm to develop a working model for our homes. It’s been a long process and we’ve learnt a lot along the way but as a result of the pilot, we’ve found that we are able to reduce the build time by approximately 10 – 12 weeks when compared with traditional build.”

“This model has enabled us to deliver homes in a reduced timeframe, without compromising on quality with the added benefit of minimising disruption to residents living nearby as the time onsite is significantly reduced.”

The team at NBBC has already identified a further seven sites for potential development over the next year and are working with other local authorities with a view to sharing the knowledge and expertise developed as a result of the pilot. They are also in the process of establishing a procurement framework through which they provide suppliers with more assurances and greater volumes and can achieve economies of scale.

Head of Home Ownership & Supply in the Midlands for Homes England, Caroline Cormack comments: “At Homes England we are committed to promoting modern methods of construction across the industry, so it’s great to see organisations such as Nuneaton & Bedworth Council who are willing to not only conduct their own pilot but also to work with partners to secure a supply chain.”

The newly created framework will enable NBBC to share their knowledge of the modular house process from design and planning through to construction with other local authorities. They are already in discussion with Warwick District Council, Stratford-On-Avon District Council, Rugby Borough Council and North Warwickshire Borough Council for information on their pilot scheme.

Dawn Dawson, Director for Housing, Communities and Economic Development at NBBC said: "I'm really proud of what we've been able to achieve through this pilot scheme and it's opened up conversations in the wider region about how we can diversify the delivery of housing to suit the needs of our communities.

There is still some work to be done around modular construction to dispel myth that it is comparable to the 1960 prefab homes, this couldn't be further from the truth. Modular construction has provided us with high quality, energy efficient, well designed housing that will provide much needed homes for families in Nuneaton and Bedworth."

ENDS

For more information contact Kate Hall, Communications Officer at Homes England 0115 852 6900 or 07967 782252 [kate.hall@homesengland.gov.uk](mailto:kate.hall@homesengland.gov.uk).

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## [News story: Schools challenged to go single-use plastic free by 2022](#)

The Education Secretary has today (Thursday 27 December) urged all schools to eliminate their use of single use plastics by 2022.

Damian Hinds has called on senior leaders in schools to stop using items such as plastic bags, straws, bottles and food packaging in favour of sustainable alternatives, and invited them to start a conversation with pupils about the effects discarded plastics have on the environment and wildlife.

The UK is committed to being a global leader in tackling the issue of plastic pollution and Mr Hinds is urging schools across the country to follow the lead of Georgeham Primary School in Devon who are the first school in the UK to achieve single use plastic free status.

Education Secretary Damian Hinds said:

On my first school visit as Education Secretary almost a year ago, the very first question I was asked by a pupil was what we can do to limit the damage of plastic on the environment. Reducing our use of plastic clearly is an important and timely issue which as

captured the interest and the imagination of everyone in society.

Plastic can harm our precious environment and be lethal to wildlife. The leadership shown by schools like Georgeham Primary in going single use plastic free is an impressive example for us all – and I want work to support every school in the country following their lead by 2022.

It's not always easy but we all have a role to play in driving out avoidable plastic waste, and with more schools joining others and leading by example, we can help to leave our planet in a better state than we found it.

Georgeham Primary was awarded the accolade by Surfers against Sewage, a marine conservation charity, who recognised that the school had met five crucial targets including an initial plastic audit of the school and removing at least 3 items of single-use plastic items throughout the school. The key changes that enabled the school to go plastic free was by getting rid of plastic from the school's supply chain and replacing single use plastic with plastic that can be easily recycled.

One of the most common uses of single use plastic are the straws and packaging from the cartons of milk provided to reception pupils in schools. After agreeing a deal with their suppliers, Georgeham School now have their milk delivered in recyclable containers and the children drink out of washable beakers.

Whilst the Government has a 25 year Environment plan looking at the reduction of plastic use in general, the Education Secretary has asked the Department for Education to increase communication with the school supply chain regarding the plastic packaging of milk cartons and other day to day supplies for schools. Mr Hinds has the long-term ambition that all schools will work with suppliers to make these small changes with a view to make a big difference in single use plastic consumption.

Julian Thomas, Headteacher at Georgeham Primary School said;

We are thrilled to hear the Education Secretary is calling on all schools to become single use plastic free by 2022. All of our pupils enthusiastically played their part in helping the school reduce excessive single use plastic consumption. I am confident children across the rest of the country would also welcome the challenge!

By making relatively minor changes, such as replacing cling film for foil in the canteen we were able to significantly reduce our plastic use in the school. We're a small school but we think big and I'm very proud of everyone at Georgeham for what we've achieved.

The Government's 25-year Environment Plan launched in January pledges the elimination of avoidable plastic waste by 2042 and promises to consider steps to discourage plastic items that prove difficult to recycle and ideas to reduce demand for commonly littered items, including takeaway coffee cups and takeaway boxes.

There are also plans to introduce a world-leading new tax on plastic packaging which doesn't meet a minimum threshold of at least 30% recycled content from April 2022, subject to consultation, to encourage greater use of recycled plastic to tackle the problem of plastic waste and protect our environment.

A YouGov survey commissioned by BRITA UK and Keep Britain Tidy in April found that young people are more committed than other generations to mitigating the effects of single-use plastic, with 68% of 18 to 24 year olds currently owning a reusable water bottle, above the national average of 55%.

See [here](#) for more information on what the government is doing to reduce single use plastics.

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## **[Press release: Plastic carrier bags: Gove sets out new measures to extend charge](#)**

The 5p plastic bag charge will be extended to all retailers and increased to 10p to cut their use further, under plans put forward in a [consultation](#) launched by the Environment Secretary today.

Plastic bags have a significant impact on the environment. Government scientists believe plastic in the sea is set to treble in a decade unless marine litter is curbed – with one million birds and over 100,000 sea mammals dying every year from eating and getting tangled in plastic waste.

Currently, the 5p charge applies only to big businesses, but it is estimated over 3.6 billion single-use plastic bags are supplied annually by small and medium-sized enterprises (SMEs). Trade bodies representing around 40,000 small retailers have already launched a voluntarily approach to a 5p charge, but this accounts for less than one-fifth of England's estimated 253,000 SMEs.

The consultation launched today will also explore the possibility of increasing the 5p minimum charge to encourage further behaviour change, potentially doubling it to 10p.

Environment Secretary Michael Gove said:

The 5p single use plastic carrier bag charge has been extremely successful in reducing the amount of plastic we use in our everyday lives. Between us, we have taken over 15 billion plastic bags out of circulation.

But we want to do even more to protect our precious planet and today's announcement will accelerate further behaviour change and build on the success of the existing charge.

Association of Convenience Stores chief executive James Lowman said:

We welcome the Government's plans to extend carrier bag charging to all shops.

This has been shown to be highly effective at reducing waste, whilst also raising money for local, national and environmental charities. Around half of small shops in England already charge for plastic bags voluntarily, with wider support for a mandatory charge.

The move follows the success of the 5p charge introduced in 2015, which has seen single use [plastic bag sales in major supermarkets drop by 86%](#). This is equivalent to just 19 bags in 2017/18 per person in England, compared with 140 bags each before the government introduced the charge.

Smaller stores are often at the heart of a local community providing a range of essential services to local people, and will be encouraged to donate proceeds to good causes. [Latest figures show](#) that for 2017/18 5p plastic bag sales contributed over £51m toward charities and other good causes.

Today's announcement is the latest move in a government crackdown on plastic, with the UK continuing to be a global leader in protecting seas, oceans and marine life. On the same day, Education Secretary Damian Hinds has urged all schools to eliminate their use of single use plastics by 2022.

The government has recently announced a range of measures to eliminate all avoidable plastic waste underpinned by the landmark [Resources and Waste Strategy](#) launched earlier this month. Other key government actions announced over the past 12 months include a [world-leading ban on microbeads](#), a consultation on restricting the sale of plastic straws, stirrers and cotton buds, and plans for a [deposit return scheme](#) to increase recycling rates of drinks bottles and cans subject to consultation.

At the Autumn Budget, the Chancellor announced a world-leading tax on plastic packaging which does not contain a minimum of 30% recycled content, subject to consultation, from April 2022.