

02-16

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RETAILERS AGAINST SMUGGLING

23 February 2007

John Glen Esq
Scottish Executive Health Department
Tobacco Control Division – 3ER
St Andrew's House
Regent Road
Edinburgh EH1 3DG

Dear Mr. Glen,

**Consultation on the Smoking Prevention Working Group Report:
“Towards a Future Without Tobacco”**

We are writing in response to the above consultation on behalf of the 16,000 independent retailers who support the Retailers Against Smuggling campaign which is run by the Tobacco Alliance. Our comments relate to those recommendations that specifically affect corner shopkeepers and retailers, as detailed in the “Reducing Availability” section (pages 8 – 9) of the “Towards a Future Without Tobacco” Report.

Recommendations 5 – 7: Enforcing the Prevailing Legal Age of Purchase

On the issue of any change to the legal age of tobacco sale, it is for the Scottish Parliament to determine the age at which it is legal to buy cigarettes and whatever decision is reached, it will be the responsibility of legitimate retailers across the country to help enforce that law. However, our members would expect the Scottish Parliament to assist us in this regard by providing appropriate guidance and training.

With regard to test purchasing, members of our organization have fully supported the nationwide ‘No ID No Sale’ (NINS) campaign and have found it invaluable in their efforts to deal with the approaches of the underage attempting to purchase age-restricted goods. We support the concept of active test purchasing as those retailers who abide by the law – and to be clear, they make up the vast majority – have nothing to be concerned about in this regard. We are keen, though, that consideration is given to those rare potential instances where an inexperienced or younger member of staff who may be covering on a Saturday, for example, might through error serve the person that has been sent is as part of the test purchase scheme. We would be against any attempt to reduce the number of “chances” from three a retailer gets before action is taken, as has been discussed in some circles.

Retailers Against Smuggling
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As you are no doubt aware, independent retailers work extremely hard, often with very little staff support and so they would welcome anything that makes their life easier. The NINS scheme has been very popular with retailers as it helps them deal with the potentially hostile situation of asking someone to show proof of age. The change in the law to 18 is liable to increase the number of customers who will be asked to prove their age, especially during the initial days and months after the legislative change.

We would therefore be extremely keen that independent retailers were given sufficient support by the authorities to act as the "enforcers" of the new law on the ground. This would involve publicity materials (eg stickers, posters) that every retailer could place in their shops and turn to when dealing with a young looking customer requesting to buy tobacco.

We also urge the Executive to concentrate as much effort and resources on the stamping out of illegal selling in streets, car boot sales and markets in tandem with their work in the retail trade, as focusing on one area only may only lead to displacement purchasing.

Recommendation 8: Increasing the price of tobacco at a rate faster than inflation

Much of the focus of the Retailers Against Smuggling campaign is to highlight the detrimental effects that tobacco smuggling has on independent shopkeepers. From what many have told us, the effects are so extreme that their livelihoods are under threat. In a recent survey of our membership, one in five of our retailers stated they are considering closing down entirely as a result of the effects of tobacco smuggling on their sales. A copy of the last published research is enclosed for your reference.

We strongly believe that the reason the UK has become such a haven for tobacco smuggling is because the differential in tax levels between the UK, where tobacco tax is the highest in the EU, to places like Latvia where it is at its lowest, is so great that tobacco smugglers see the UK as the best opportunity for making the greatest profit. Independent retailers who in this country charge around £5.30 for a packet of 20 cigarettes simply cannot compete against someone at the local car boot sale charging £2.50 for the same packet of cigarettes. Worse still, sometimes the smugglers are charging £2.50 for counterfeit cigarettes which are cheaper to produce and create even larger profits, as well as possible further health hazards than normal cigarettes.

While on the surface, there may be a correlation between higher tobacco tax and less consumption, we believe that increasing the price of tobacco at a rate faster than inflation will play in to the smugglers' hands and encourage more smokers to get their supplies cheaply from the man in the street rather than legitimately from the man in the shop. Our survey found that 71% of our members thought the way to solve the tobacco smuggling situation was to reduce or freeze tobacco taxes.

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Recommendation 10: Sales of packs of ten cigarettes

On the issue of ten-packs of cigarettes, we find that most customers who purchase these tend to be consumers above the 16 – 17 age group. They do so either because they wish to regulate consumption or because they are constrained financially and have to restrict their outgoings. We therefore believe that removing this option from legitimate sale will only encourage more people to obtain their supplies from smugglers, from whom they can buy a pack of twenty illegal cigarettes for the same price, or less, as that for a legitimate pack of ten.

Recommendation 19: Displays at Point Of Sale

Tobacco is a huge part of our sales, with our smoking customers wanting to see for themselves what brands are available. Their tobacco purchases create a substantial number of add-on purchases so if this change is introduced we retailers will lose out twice. This will threaten the livelihoods of many more of our shopkeepers, which are already precarious thanks to the effects of tobacco smuggling on sales. Tobacco is a legal product and so we should have every right to display it as we do for any other legal product. Introducing this measure would create a 'shadowy sub culture' within the independent retail world which would only encourage more consumers to purchase their tobacco from street sellers who, let's not forget, have no qualms about selling to underage customers.

We hope that these comments will prove useful in formulating your views for the consultation. Please do feel free to get in touch with us, should you require more information and input.

Yours sincerely,

Ken Patel,
National Spokesman
Retailers Against Smuggling
Leicester retailer

Fiona Barrett
Scotland Spokeswoman
Retailers Against Smuggling
Glasgow retailer

Retailers Against Smuggling is the campaign of the Tobacco Alliance which was formed over 20 years ago to voice the views of independent retailers of tobacco on matters related to tobacco tax. It represents over 16,000 independent retailers throughout the UK and is funded by the Tobacco Manufacturers' Association.

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