

**DRS**

DEPOSIT RETURN SCHEME

RETAILER SUMMARY

Launch: 1 October 2027

— THE ONE-PAGE ORIENTATION

UK Deposit Return Scheme Retailer Summary

Everything a UK retailer needs to know before the scheme goes live — what is in scope, what you must do, what it costs, and where to apply for relief. Verified against the scheme administrator's published guidance.

20p

Flat deposit on every in-scope container

3p

Return handling fee — manual return points

£60m

Grant funding for small independents

What is in scope

- Containers made wholly or mainly from **PET plastic, aluminium or steel**
- Volume between **150ml and 3 litres**
- Single-use drinks containers sold in the UK
- Glass is **not** in scope in England, Scotland or Northern Ireland
- Cartons, plastic film and refillable containers are out of scope

Your core obligations

- Charge the 20p deposit on in-scope drinks **at the point of sale**
- Operate a return point — unless you are exempt
- Register with the scheme administrator if you operate a return point
- Sell only containers with a **registered DRS barcode and logo**
- Refund deposits on returned containers without delay

This is a reading aid, not a source of record

Scheme details change — fee rates, exemption criteria and specifications have all moved within the past year. Exchange for Change (the UK Deposit Management Organisation) is the authoritative source. Verify anything carrying financial or legal consequence before acting on it.



Return points & fees

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— RETURN POINTS

Where do you have to take returns?

Groceries retailers — supermarkets of any size, grocery stores, convenience stores and newsagents that sell groceries — are the primary return points. Being exempt from operating one does **not** exempt you from charging the deposit.

RETURN POINT TYPE	HANDLING FEE	ANNUAL VOLUME BAND	WHAT IT COVERS
Manual	3p	No threshold — flat rate	Staff accept containers over the counter and refund manually. Covers counting, bagging, tagging, storing, collection prep, staff training and floor space.
Automatic Tier 1	5p	Up to 225,000 per year	Highest rate, designed to get return points established. Covers your fixed costs — machine lease, power, floor space and maintenance.
Automatic Tier 2	1.3p	Above 225,000 per year	Lower marginal rate once fixed costs are covered. High-volume sites should model the blended rate — marginal return per container drops sharply.

Manual vs automatic

- **Manual:** staff accept containers over the counter, issue refunds by hand, then bag, tag and store them for collection.
- **Automatic (RVM):** customers feed containers in directly. Each product is scanned and validated, redeemable vouchers issued automatically, and containers compacted for collection.
- The first list of **accredited machines is published October 2026** — specify against that, not a generic unit.

Grant funding

£60m is available to help up to **10,000** small, independent retailers install reverse vending machines.

- **£6,000 per site**, paid in three annual instalments of £2,000
- First instalment paid **three months after** the RVM is installed
- Available in England, Northern Ireland and Scotland
- If you are a qualifying independent, get this into your financial model from the start

Selling online or on-premise?

Online sellers are not obliged to be return points but must still charge deposits. Hospitality venues are not required to operate return points. Off-premise sales (including takeaways) must carry the deposit; on-premise charging is optional in England and Northern Ireland, and different again in Scotland.



Exemptions & timeline

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— EXEMPTIONS

When you do not need a return point

Automatic Urban store under 100m²

Retail footprint under 100m² in an urban area. **No application needed.**

Size-based Urban 100–199m² or rural under 200m²

Extended in June 2026 following agreement with regulators. These stores **may apply**; approval is at the discretion of Exchange for Change.

Discretionary Proximity to an existing return point

Where a suitable return point already exists nearby, an exemption may be granted. The regulations set out how proximity is measured.

Heritage

Listed buildings, conservation areas or heritage properties that cannot make the required physical alterations.

Site access / utilities

Where vehicle access, floor loading or lack of suitable power, water or drainage makes installation impracticable.

There is a presumption against exemption at 200m² and above

Groceries retailers above 200m² may still apply on size grounds, but the criteria uphold a presumption against granting it. There is no automatic exemption above that threshold.

— TIMELINE

Key dates to work to

May 2025

UK DMO appointed

UK Deposit Management Organisation Ltd (trading as Exchange for Change) appointed as scheme administrator for England, Northern Ireland and Scotland.

July 2025

Deposit Scheme Regulations in force

Sets out the roles of retailers, producers and the scheme administrator.

April 2026

Deposit confirmed at a flat 20p

A single level for all in-scope containers, rather than material-specific rates.

June 2026

Fees confirmed, exemption criteria extended, grants announced

Return handling fee published; £60m of grant funding announced for small independents.

Q3 2026

Logistics tender concludes

Your window to firm up site plans and equipment decisions.

October 2026

First accredited RVMs published

Specify equipment against this list.

Q3–Q4 2026

Exemption and grant applications open

Applications are approved on a first-reviewed basis — register early.

May 2027

Producer fees reconfirmed

Set at 0p for the first 15 months of the scheme; reviewed and reconfirmed here.

Mid 2027

Go-live build and staff training

Till systems, labelling, signage and in-store comms finalised. RVMs installed and commissioned.

1 October 2027

DRS launches

In-scope containers with the DRS logo and registered barcode go on sale. Deposits charged at the point of sale, refunds paid at return points.

VAT on deposits

From commencement, the scheme administrator will account for VAT on deposits that are not refunded. Businesses in the supply chain will no longer account for VAT

on the deposit element at each stage. Primary legislation is in Finance Bill 2026–27, with detailed accounting regulations to follow.

Where to go for a definitive answer

- **Scheme administrator:** exchangeforchange.co.uk — registration, exemptions, grants, deposit values, producer fees, RVM accreditation.
- **Trade body:** ACS publishes detailed operational guidance for convenience and independent retailers.
- **Your RVM operator:** collection, hardware, barcode scanning and reconciliation are contracted — your existing contract is the route for anything site-specific.
- **Found an error on our summary?** Email DRS@amanalytical.com — corrections are genuinely welcome.