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Businesses and Charities Urge UK to Scrap VAT on Refurbished Electronics to Cut Waste and Costs

July 7, 2025 — Categories: Economics



A coalition of major UK businesses, charities, and community groups is urging the government to scrap VAT on refurbished and repaired electronics, arguing that the measure would help reduce costs for consumers, reduce waste, and support a growing circular economy. The call comes amid rising interest in sustainability and growing demand for affordable alternatives to new electric goods.

In a letter to Environment Secretary Steve Reed, the group, comprising 25 organisations including Currys, Back Market, Suez UK, the Restart Project, and repair cafes across the country, emphasised that VAT on secondhand electronics is undermining efforts to promote reuse. Currently, refurbished products are taxed at the same rate as new items, a policy, critics say, deters consumers from making greener choices.

Katy Medlock, UK general manager at refurbished electronics platform Back Market, highlighted that price remains the biggest factor for consumers. She stressed that removing VAT would make refurbished goods more affordable and accessible, encouraging people to consider sustainable alternatives over buying new.

Dr Adam Read, chief external affairs and sustainability officer at Suez UK, pointed to ease and speed as central barriers. While buying a new toaster or phone can be done in minutes online, repair services are often perceived as slow or hard to access. He said that if refurbished items could be sold at half the price through a trusted system, demand would grow rapidly, particularly among students, low-income households, and budget-conscious shoppers.

Fiona Dear, co-director of the Restart Project, welcomed the cross-sector support, noting that policy has lagged behind consumer and business interest in repair and reuse. She added that many community groups and businesses are eager to expand repair offerings, but high costs remain a barrier. Beyond environmental benefits, the letter outlines the economic potential of expanding the repair sector. It estimates that a growing repair economy could create 31,000 jobs by 2035, and over 80,000 by 2040. Read described these as future-proof, practical careers, already drawing high interest from young people entering the workforce.

The Treasury has not responded directly to the proposal, but reiterated its commitment to waste reduction. A spokesperson noted that the circular economy taskforce is developing a national strategy for increasing the reuse and recycling of electrical equipment, though any tax policy changes would be addressed in future budgets.

Campaigners argue that removing VAT from refurbished electronics is a clear opportunity for government action that supports households, communities, and the environment.