

Scrap Metal Dealers Act 2013

This leaflet is not designed as an authoritative interpretation of the law and is intended only for guidance. It sets out the requirements of the legislation based on current official guidance which is subject to change and may be revised.

Ultimately only the courts can interpret law with any authority.

Scrap Metal Licences

There are two types of licence under the new Act:

A site licence and a collector's licence

Collector's Licences

This allows the licensee to operate as a mobile collector in the area of the issuing local authority. It does not allow the collector to operate in any other local authority area, so a separate licence has to be obtained from each council the collector wishes to operate in.

A collector's licence allows a person to speculatively collect from door to door.

A collector's licence does not authorise the licensee to operate a site;

Site Licences

The site licence authorise the licensee to carry on business at the sites identified in the licence. All the sites where a licensee carries on business as a scrap metal dealer have to be identified, and a site manager has to be named for each site. This licence allows the licensee to transport scrap metal to and from those sites from any local authority area.

Licences - Frequently Asked Questions

Do I need a collectors licence if I don't pay for the scrap I collect?

Yes, if you later sell the scrap metal

Can I hold a collector's and site licence in the same authority?

No, it is not possible to hold both a mobile collector's licence and a site licence from the same authority.

What if I collect door to door in more than one Local Authority area?

You need to obtain a collectors licence in each local authority area where you collect.

Does everyone in a van used by a mobile collector require a separate collectors' licence?

A mobile collector's licence can be held by a company, partnership or individual trader, and will then cover any employees working for the business.

Self employed collectors would need their own licence.

What if I only occasionally collect scrap metal in the course of the business I operate?

Any person that carries on a business which consists wholly or partly in buying or selling scrap metal requires a licence. So it will depend on the regularity that metal is collected and weighed in; the proportion of income generated from the scrap metal sales etc. The courts are likely to apply the 'reasonable person test' in deciding whether a licence is required.

Duty on Licence Holder to Display the Licence

For sites, the licence holder must:

- display a copy of the licence at each site covered by the licence
- display the licence or copy of the licence in a prominent place

For mobile collectors, the licence holder must:

- display a copy of the licence on any vehicle that is being used in the course of the dealer's business
- display the licence or copy of the licence in a way that enables it to be easily read from outside of the vehicle

Failure to comply with any of these requirements is an offence. The penalty on conviction is a fine of up to £1000.

It is important to note that the legislation specifically allows for display of a **copy** of a licence and does not require the original to be available.

Duty On Licence Holder To Verify Supplier's Identity

A scrap metal dealer is required to verify a person's full name and address before he receives any scrap from them.

Regulations specify what documents are acceptable to verify a supplier's identity. This must be:

Certain photo identification including an address - the recommended ID document is a:

- Valid Great Britain or Northern Ireland photo-card driving licence.

Certain photo identification without an address but produced in combination with a utility bill or specified document showing an address.

The following are considered to be appropriate government-issued documents with a photograph:

- Valid UK passports including a passport issued by the Crown Dependencies.
- Valid UK Biometric Residence Permits.
- Valid EEA passports (for non-UK nationals).

The following are considered to be appropriate documents showing an address:

- Current council tax demand letter or statement.
- Current bank/building society or credit/debit card account statement
- Utility bill, but not mobile telephone bill.

Current means issued within the previous 3 months.

The dealer must keep a copy of any document used to verify the name or address of the person from whom he receives the metal.

Copies must be retained for at least 3 years.

Failure to comply with any of these requirements is an offence. The penalty on conviction is a fine of up to £1000.

Identity Checks - Frequently Asked Questions

Do I have to keep paper copies of the documents I have checked to verify someone's identity?

No, as long as the copy can be retrieved and reviewed. An electronic scan is adequate.

Record Keeping

A scrap metal dealer must record the following information on **receipt** of scrap metal:

- the description of the metal, including its type (or types if mixed), form, condition, weight and any marks identifying previous owners or other distinguishing features
- the date and time of its receipt
- if the metal is delivered in or on a vehicle, the registration mark (within the meaning of section 23 of the Vehicle Excise and Registration Act 1994) of the vehicle
- if the metal is received from a person, the full name and address of that person
- if the dealer pays for the metal, the full name of the person who makes the payment acting for the dealer
- Where a cheque payment is made, a copy of the cheque, or where a payment is by electronic transfer, a receipt or reference number

The holder of a scrap metal site licence must record the following information on **disposal** of scrap metal:

- the description of the metal, including its type (or types if mixed), form, and weight
- the date and time of its disposal
- if the disposal is to another person, the full name and address of that person
- the price or other consideration received for the metal

The holder of a scrap metal collector's licence must record the following information on **disposal** of scrap metal:

- the date and time of its disposal
- if the disposal is to another person, the full name and address of that person

An example of a suitable record in word format is available on our website at:

<https://www.stockton.gov.uk/community-safety/licensing/scrap-metal-dealers-licence/>

All records of receipt and disposal of scrap metal must be kept for 3 years from the date of receipt.

Failure to comply with any of these requirements is an offence. The penalty on conviction is a fine of up to £1000.

Payments for Scrap

Cash payments are not permitted under this legislation. Payments for scrap metal must be made by cheque or electronic transfer. You must also keep a copy of payments:

For cheques, you must keep a copy of the cheque;

For electronic transfer, you must keep the receipt identifying the transfer, if no receipt was obtained, particulars identifying the transfer must be recorded.

It is an offence to make a cash payment for scrap metal. The penalty on conviction is a fine of up to £5000.