GCVA BREAKAGE RESPONSE RESOURCE
Guidance for Members on Unused Gift Card Balances, Expiry and Charges

(Updated August 2026)

1. Purpose of this Resource

Unused gift card balances, expiry dates and inactivity charges are regularly raised by consumer journalists, campaigners and policymakers. Coverage can sometimes suggest that large amounts of money are routinely lost, or that gift card providers deliberately rely on consumers forgetting to spend their cards.

In some cases, estimates of the money supposedly left unspent are created by combining consumer survey findings (e.g. the percentage of people who typically spend their gift cards within a year) with an estimate of the total size of the gift card market. This is not a valid use of the research.

This document provides a consistent set of messages for GCVA members to use when responding to these enquiries. It is designed to give members a unified narrative, approved statements, consumer advice, media responses and internal guidance.

The resource includes:

- A clear and unified narrative for the sector
- The latest GCVA evidence on reported redemption habits
- Guidance on how that research can and cannot be used
- Approved statements covering unused balances, expiry dates and charges
- Practical advice for consumers
- Answers to common media and stakeholder questions
- Internal guidance on tone, language and claims to avoid

The aim is to help members explain the issue clearly and fairly, acknowledge legitimate consumer concerns and challenge inaccurate assumptions without sounding defensive.

2. Terminology

Within the industry, the term “breakage” is sometimes used to refer broadly to gift card value that remains unspent.

In external communications, members should generally use clearer language such as:

- Unused balances
- Unredeemed balances
- Remaining gift card value
- Cards or balances that have not yet been used

The term “breakage” can be misunderstood as suggesting that providers expect or want consumers to lose money. It should therefore be explained carefully when used with journalists or other external audiences.

It is also important to distinguish between:

- An unused balance: Value remains on a gift card but may still be available to spend.
- An expired balance: The card or balance has reached the end of the validity period set out in its terms.
- An inactivity or administration charge: A charge applied by some providers after a card has remained unused for a defined period. These charges are not a feature of all gift cards.

Members should avoid describing value as “lost” or “wasted” unless there is clear evidence that it can no longer be used. A card that has not been used within a particular period is not necessarily expired, and a card that has been used once may still retain a balance.

3. Core Industry Narrative

Gift cards are designed to be spent and enjoyed.

GCVA’s State of the Nation 2025 research indicates that consumers generally report using gift cards relatively quickly*:

- 19% of UK consumers said they typically use a gift card within one week
- A further 31% said they typically use one within one month
- 88% reported using a gift card within the first six months
- 97% reported using one within a year
- Among Gen Z respondents, 24% said they typically use a gift card within the first week

Some gift cards have expiry dates and others do not. Where an expiry date applies, it allows the provider to manage the financial obligation represented by cards that remain in circulation. Expiry dates can also remind recipients that a gift card is intended to be used.

Some providers, but by no means all, apply an administration or inactivity charge after a card has remained unused for a considerable period. Gift cards are intended to be redeemed for goods or services rather than held indefinitely as savings products. Such charges can contribute towards the continuing cost of providing and administering the service.

Where expiry dates or charges apply, they should be communicated clearly and prominently so that consumers understand the terms and have the opportunity to use their balance.

* NOTE: These findings indicate prompt reported use, but they are not a financial measure of gift card redemption or unused value. The research is based on consumers’ recollections of their typical behaviour. It does not record the cards themselves, the amount originally loaded, how much was spent, whether the full balance was used or what happened to any remaining value. It is therefore incorrect to use the research to estimate how much money is left unspent on gift cards. Media seeking to do so should be warned that this would be inaccurate and misleading.

4. Using the 2025 Research Correctly With Media Statements

Members can say:

- GCVA’s research suggests that consumers generally report using gift cards quickly.
- Half of respondents said they typically use a gift card within the first month.
- 88% said they typically use a gift card within six months.
- 97% said they typically use a gift card within a year.
- Among Gen Z respondents, 24% said they typically use a gift card within the first week.

Members should not say:

- “97% of all gift cards are fully redeemed within a year.”
- “Only 3% of gift cards go unspent.”
- “Only 3% of gift card value remains unused.”
- “Only 3% of cards expire.”

5. Approved Statements for Member Use

These statements can be used directly in media responses or adapted to reflect the terms of an individual retailer, issuer or programme.

A. General statement on unused balances

Gift cards are designed to be spent and enjoyed. GCVA’s latest consumer research suggests that people generally report using them quickly, with 88% of respondents saying they typically use a gift card within six months and 97% within a year.

B. On attempts to estimate the amount left unspent

It would not be valid to use GCVA’s consumer survey to calculate the amount of money left unspent on gift cards.

The research asks people when they typically use a gift card. It does not record how much was originally loaded, how much was spent, whether the card was fully redeemed or what happened to any remaining balance.

Combining these findings with an estimate of the overall gift card market would therefore produce an inaccurate and unsupported figure.

C. On expiry dates

Some gift cards have an expiry date and others do not. Where an expiry date applies, it allows the provider to manage the outstanding financial obligation represented by cards that remain in circulation.

Expiry dates can also remind recipients that the gift card is there to be used and enjoyed. The important consumer principle is that the date should be communicated clearly at purchase and should be easy for the recipient to find.

D. On inactivity or administration charges

Some providers apply an administration or inactivity charge after a gift card has remained unused for a considerable period, but this is not a feature of all gift cards.

Gift cards are intended to be redeemed for goods or services rather than used as long term savings products. Where a charge applies, it can contribute towards the continuing cost of maintaining and administering the service.

Any charge should be explained clearly, including when it begins and how it may affect the balance.

E. When asked whether expiry dates or charges are unfair

Consumers are right to expect gift card terms to be clear and easy to understand. No customer should be surprised by an expiry date or a charge that was not properly communicated.

Terms vary between programmes, but providers should give consumers clear information and a fair opportunity to use the value available to them.

F. When a journalist describes balances as “lost”

An unused balance is not necessarily a lost balance. It may still be available to spend, it may be used later or it may remain after a partial redemption.

Without card level transaction data, it is not possible to assume that a card not used within a particular period has expired or that its full value has been lost.

G. Concise media response

GCVA’s research measures consumers’ recollections of when they typically use gift cards. It does not measure how much was loaded, how much was spent or what balance remained, so it cannot be converted into an estimate of money left unspent.

6. Advice for Consumers

Members may share the following advice in media interviews, customer communications or online guidance:

- Check whether a gift card has an expiry date when it is purchased or received.
- Check whether an inactivity or administration charge can apply and when it would begin.
- Keep physical cards somewhere visible.
- Save digital cards, emails and codes somewhere they can be found easily.
- Consider setting a calendar reminder for a card with a fixed expiry date.
- Use the card in good time rather than treating it as a long term savings product.
- Check the remaining balance after making a purchase.
- Keep the purchase confirmation, receipt and any information supplied with the card.
- Contact the retailer or issuer if the expiry date or terms are unclear.
- Contact the issuer before expiry to ask whether any options are available.
- Do not assume that an extension will be offered, as policies vary between programmes.

7. GCVA's Role and Member Good Practice

GCVA conducts regular research into consumer behaviour and perceptions of the gift card sector. It also promotes clear communication and good practice across its membership.

Members should:

- Make expiry dates easy to find at the point of purchase.
- Ensure relevant terms are accessible to the recipient, who may not have made the original purchase.
- Explain clearly whether an inactivity or administration charge applies.
- State when any charge begins and how it is calculated.
- Provide a straightforward way for consumers to check their balance.
- Provide a straightforward way for consumers to check the terms of the card.
- Ensure customer service teams understand the programme's policy on expiry, charges, extensions and remaining balances.
- Respond to consumer concerns calmly and on the facts of the individual case.
- Avoid commenting on the financial treatment or accounting policies of other providers.
- Correct inaccurate uses of GCVA research clearly and factually.

Terms and programme structures vary across the sector. Members should therefore adapt the approved language to reflect their own arrangements and should not make universal claims on behalf of all gift card providers.

8. Media and Stakeholder Q&A

1. How much money is left unspent on gift cards?

GCVA does not hold data for the value of unused balances across retailers and issuers.

GCVA's consumer research cannot be used to calculate one. It asks people when they typically use a gift card, but does not record the initial load, the amount spent, the remaining balance or the eventual outcome of the card.

2. Does the 97% figure mean only 3% of gift cards go unspent?

No.

The figure means that 97% of survey respondents said they typically use a gift card within a year. It does not mean that 97% of all cards are fully redeemed or that the remaining 3% are never used.

The research measures respondents' recollections, not the final status or value of individual cards.

3. Does "redeemed" mean the whole balance was spent?

Not necessarily.

A respondent may regard a card as redeemed after using it once, even where part of the balance remains. The research did not measure how much of the original load was used.

4. Can the remaining percentage be applied to the value of the gift card market?

No.

That calculation would combine two measures that do not describe the same thing. One is a consumer survey about recalled timing of use. The other would be an estimate of overall market value.

The survey provides no information about the initial load, the percentage of value spent or the amount remaining. Applying the figures in this way would therefore produce an inaccurate estimate.

5. Are retailers relying on people forgetting to use their gift cards?

Gift cards are created to be spent with the relevant retailer, brand or participating businesses.

Businesses want customers to use their gift cards. Data shows that people who use gift cards show increased loyalty and typically spend more with that retailer or brand.

6. Does every unused balance become profit for the provider?

It is not accurate to assume this.

The financial and accounting treatment of outstanding balances varies between programmes and providers. An unused balance may remain available, may be spent later or may be subject to the terms of the individual card.

7. Why do gift cards have expiry dates?

Some gift cards have expiry dates and others do not.

Where used, expiry dates allow providers to manage the outstanding financial obligation attached to cards that remain in circulation. They can also remind recipients that the card is there to be used.

The expiry date should be communicated clearly so that consumers have the opportunity to use the card.

8. Why not make every gift card valid indefinitely (or apply a set expiry term for all gift cards)?

Gift card programmes operate in different ways. Some cards have no expiry date, while others have a defined validity period.

Allowing every card to remain open indefinitely would create a continuing financial and administrative obligation for the provider. The important issue for consumers is that the validity period should be clear before purchase and easy for the recipient to check.

Equally, setting a fixed expiry term would be problematic. The practical issues between different types of goods or services and types of business vary and gift cards allow flexibility.

9. Why do some providers charge inactivity or administration fees?

Some providers apply a charge after a card has remained unused for a considerable period, while many do not.

Gift cards are provided through a service and are not designed as bank accounts or long term savings products. Where a charge applies, it may contribute towards the continuing costs of administering that service.

The charge, the date it begins and its effect on the balance should be communicated clearly.

10. Is it fair for a charge to reduce the value of a gift?

It is understandable that consumers may be concerned about a charge reducing their balance.

The response should acknowledge that concern rather than dismiss it. Charges are not universal and should be made clear in the terms so that consumers understand how to avoid them.

Questions about a particular card should be answered according to the terms of that specific programme.

11. Are expiry dates and charges always made clear enough?

GCVA advises members that expiry dates should be displayed clearly at purchase and in customer information. This is especially important because the person using the card is often not the person who originally bought it.

Where a charge applies, consumers should also be able to understand when it begins and how it could affect their balance.

12. What should someone do if their card is close to expiry?

They should contact the retailer or issuer as soon as possible and ask what options are available.

Some providers may be able to help, but policies vary and an extension should not be presented as guaranteed.

13. What should someone do if part of the balance remains after a purchase?

They should check the remaining balance and the terms of the individual card.

If they are unsure how the remaining value can be used, they should contact the retailer or issuer directly.

14. What is GCVA doing about this issue?

GCVA provides research, information and guidance to support good practice across the sector.

Its role is to encourage clear communication, help members respond consistently and ensure that public discussion is based on appropriate evidence.

9. Internal Guidance for Spokespeople

Suggested tone

- Calm and factual
- Open about the limits of the available evidence
- Respectful of consumer concerns
- Clear and straightforward
- Focused on transparency and practical advice
- Confident without becoming defensive

This reflects the approach set out in GCVA's existing media guidance, which recommends calm, reassuring and straightforward communication, together with a focus on solutions.

Points to emphasise

- Gift cards are intended to be spent and enjoyed.
- The research indicates that consumers generally recall using gift cards relatively quickly.
- Half of respondents said they typically use a gift card within the first month.
- 88% said they typically use one within six months.
- 97% said they typically use one within a year.
- Expiry dates and charges are not universal.
- Terms should be clear before purchase and accessible to the recipient.
- Consumers should contact the retailer or issuer if a card is approaching expiry.
- Speak accurately and clearly about the terms of your specific programme.

10. Closing Line

Many interviews provide an opportunity to finish with a concise summary of the industry's position.

Suggested wording:

Gift cards are intended to be spent and enjoyed, and GCVA's research suggests that most people use them quickly. The priority for the industry is providing clarity at all times and help people enjoy making full use of their gift cards.

Source and Usage Note

The current consumer figures in this resource are taken from the GCVA State of the Nation 2025 report.

The figures describe consumers' reported recollections of when they typically use gift cards. They do not measure card level transactions, initial load values, partial balances, expiry or the amount of money ultimately left unspent.

This resource deliberately does not include:

- An estimate of the total value of unused gift cards
- Gift card market size or valuation figures
- Historic redemption statistics
- An assumption that the proportion not reporting use within a year represents permanently lost value
- An assumption that an unused card has expired
- An assumption that a card described as redeemed has been fully spent