

## **GCVA RETAILER INSOLVENCY RESPONSE RESOURCE**

### **Guidance for Members on Gift Cards When a Retailer Enters Administration**

(Updated August 2026)

#### **1. Purpose of this Resource**

When a retailer enters administration or another form of insolvency, customers holding gift cards often want immediate clarity about whether they can still use them.

This resource provides GCVA members with:

- A clear and consistent industry response
- Approved statements for media use
- Simple advice for affected customers
- Guidance on the value of honouring gift cards
- Answers to common media questions
- Internal guidance for spokespeople

The aim is to help members respond accurately and sympathetically, without speculating about the circumstances of an individual business.

#### **2. Core Industry Narrative**

A retailer entering administration does not automatically mean that its gift cards can no longer be used.

The business may continue to trade, and the appointed administrator will decide whether existing gift cards can still be accepted. Cards may continue to be honoured in full, be accepted subject to restrictions or stop being accepted.

Customers should check official information from the retailer or administrator. Where cards remain valid, they should use them promptly.

GCVA also encourages administrators to consider the commercial value of continuing to honour gift cards where the business remains open. Gift cards bring customers into stores and online, and customers will often spend more than the value available on the card. This can support trading, stock sales and the continuing value of the business.

#### **3. Approved Statements for Member Use**

These statements can be used directly or adapted to reflect the confirmed facts of an individual situation.

##### **A. General statement**

We understand that customers holding gift cards will be concerned when a retailer enters administration.

Administration does not automatically mean that gift cards can no longer be used. The decision rests with the appointed administrator and will depend on the circumstances of the individual business.

Customers should check official updates from the retailer or administrator and use their card promptly if it continues to be accepted.

#### **B. When the position is not yet known**

The position regarding gift cards has not yet been confirmed.

Customers should retain their card and any proof of purchase and continue to check official updates from the retailer or administrator. It would be premature to assume that cards are either valid or worthless until a decision has been announced.

#### **C. When gift cards continue to be accepted**

It is welcome that the administrator has confirmed that gift cards will continue to be accepted.

Customers should check whether any restrictions or deadlines apply and use their card in good time.

#### **D. When gift cards are no longer accepted**

We recognise that this will be extremely disappointing for affected customers.

Customers should retain their gift card and any proof of its value and follow the administrator's guidance on registering a claim. Any repayment will depend on the individual insolvency process and cannot be guaranteed.

#### **E. Statement for administrators**

Where a retailer continues to trade, there can be a strong commercial case for honouring gift cards.

Gift cards give customers an immediate reason to visit a store or website and often generate additional spending. Continuing to accept them can therefore support sales, help move stock and preserve customer goodwill and brand value.

GCVA encourages administrators to consider these benefits fully and to communicate their decision to customers as quickly and clearly as possible.

#### **4. Advice for Customers**

Members may share the following simple advice:

- Check the retailer's or administrator's official website for the latest information.
- If the card is still accepted, check for any restrictions and use it promptly.
- If the card is not accepted, keep it and any proof of purchase, and follow the administrator's instructions for making a claim.

#### **5. Guidance for Affected Retailers and Administrators**

The treatment of gift cards is likely to be one of the first questions raised by customers and journalists.

Where possible, the affected business and administrator should:

- Reach a decision on gift cards quickly
- Communicate the decision clearly
- State whether any deadlines or restrictions apply
- Make sure information is consistent across stores, websites and customer service teams
- Explain what customers should do if cards are not accepted
- Consider the effect of the decision on sales, goodwill and the value of the brand

Customers should not have to discover that a card is no longer accepted only when they attempt to use it.

#### **6. Media and Stakeholder Q&A**

##### **1. Do gift cards automatically become worthless when a retailer enters administration?**

No.

A retailer in administration may continue to trade, and the administrator will decide whether existing gift cards can still be accepted.

The position varies between businesses, so customers should check official information.

##### **2. Who decides whether gift cards will be accepted?**

The appointed administrator makes the decision.

GCVA cannot determine the outcome, but it encourages administrators to consider both the effect on customers and the commercial value of continued acceptance.

### **3. Why would an administrator continue to honour gift cards?**

Gift cards can bring customers into stores or onto a retailer's website.

Customers may also spend more than the amount available on the card, generating additional sales. Accepting cards can therefore support trading, help sell stock and preserve goodwill. Previous GCVA statements have highlighted this value to administrators.

### **4. What should a customer do if their card is still accepted?**

They should check whether any restrictions or deadlines apply and use the card promptly.

The position may change as the administration develops, so customers should continue to follow official updates.

### **5. What should a customer do if their card is not accepted?**

They should keep the card and any evidence of its value and follow the administrator's instructions for registering a claim.

They should not assume that registering a claim guarantees repayment.

### **6. Will a new owner honour existing gift cards?**

A new owner may choose to honour existing cards, but customers should not assume this will happen.

They should wait for a formal announcement from the administrator or new owner.

### **7. Should consumers avoid gift cards because a retailer might fail?**

Retailer insolvencies are exceptional events, and administration does not automatically mean that gift cards will stop being accepted.

Consumers can reduce uncertainty by buying from businesses they trust, checking the terms and using cards in good time. Those who prefer greater flexibility may also consider cards that can be used with several retailers.

### **8. What is GCVA asking administrators to do?**

GCVA is asking administrators to make and communicate their decision promptly.

Where the business remains open, GCVA also encourages them to consider the contribution gift cards can make to customer footfall, additional spending, goodwill and the value of the business.

## **7. Internal Guidance for Spokespeople**

### **Suggested tone**

- Calm and factual
- Sympathetic towards affected customers
- Clear about what has and has not been confirmed
- Respectful of the administrator's role
- Focused on practical next steps

This is consistent with GCVA's wider media guidance, which recommends clear, empathetic and solution-focused communication.

### **Points to emphasise**

- Every insolvency is different
- The administrator decides whether gift cards are accepted
- Businesses in administration may continue to trade
- Customers should follow official information
- Valid cards should be used promptly
- Administrators should consider the commercial value of honouring cards
- Clear and timely communication is important

## **8. Closing Line**

### **Suggested wording:**

A retailer entering administration does not automatically make its gift cards invalid. The decision rests with the administrator, and where the business continues to trade, honouring cards can support customers, sales and the value of the brand. The priority should be a prompt decision and clear information for everyone affected.