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CARDS INTERNATIONAL

News

Gift card industry launches campaign to drive £2.3bn high street recovery

By Evie Rusman · July 16, 2020



The gift card and voucher industry, led by the Gift Card & Voucher Association (GCVA), has launched a campaign to drive £2.3bn towards high street recovery in the UK.

GCVA has urged the government to raise the tax free gift card limit from £50 to £500, which could bring an estimated spending boost of over £2bn. The proposal would also encourage employers across the nation to use the scheme to thank their staff for their hard work throughout Covid-19.

In addition, the scheme is designed to leverage the increased demand for gift cards, which officially overtook physical gifts during lockdown. Within this period, 14% of shoppers bought a gift card for somebody else during lockdown, outselling physical gifts at just 12%, and 21% purchased gift cards to support their favourite businesses.

Gail Cohen, director general of the GCVA, said: "While the Summer Statement brought with it some welcome announcements, more must be done to support high street retail, leisure and hospitality businesses; many of which have been hardest-hit by the turbulence of the past few months.

"Gift cards are a proven way to significantly increase shopper demand and spend, which improves high street businesses bottom line. Through this, gift cards can offer a much-needed solution that would boost retailers' fortunes now. We just need to incentivise

Cohen continued: "If the tax-free limit for employee gifting was to be raised permanently, and even just a tenth of employers took advantage of the new legislation to thank their loyal staff, this could be worth billions to struggling UK businesses just when they need it the most."

Kickstarting economic activity

The permanent increase initiative follows similar proposals intended to kickstart economic activity abroad, with a proposed scheme in Ireland allowing employers to make a single one-off, tax-free payment to employees of up to €500 per annum in non-cashable rewards.

Schemes which involve gift cards and vouchers tend to be preferable over policies involving VAT cuts or cash giveaways. This is because gift cards must be spent with businesses in certain sectors, as opposed to being put into savings.

VERDICT POLL

Is COVID-19 the catalyst for the next financial crisis?

- YES, IT IS A HUGE FACTOR
- NO, IT WAS GOING TO HAPPEN ANYWAY
- THERE WILL NOT BE A CRISIS IN THE FORESEEABLE FUTURE

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