



## **Comment prepared in response to Which? Article: “Don’t buy a gift card this Christmas”**

Given the economic turmoil of the past year and a half, it's understandable that consumers may be wary. However, gift cards remain the ideal choice for an ever-growing number of shoppers, with the gift card market being worth [approximately £7 billion](#) as of the most recent industry valuation.

Looking ahead, particularly at a time when supply shortages continue to be prevalent, gift cards and vouchers are also often the most convenient and safe option for shoppers looking to avoid disappointment this Christmas, while significantly cutting down on festive waste and unwanted gifts.

Our own research shows that shoppers have been extremely savvy over lockdown, adapting their buying habits in line with any concerns by keeping their options open. For example, our [most recent industry data report](#) showed an 11.9% growth in multi-store gift cards during the first six months of 2021. These can be redeemed at a number of favourite retail and leisure brands and therefore don't limit the recipient to just one retailer.

Similarly, we have seen a significant rise in digital gifting, as well as in digital gift card use for services that can be instantly redeemed from home, such as gaming and home entertainment. Allowing consumers to by-pass the restrictions of lockdown.

For the problems highlighted by the Which? survey, there are three pieces of advice for consumers to bear in mind.

Firstly, and most importantly, gift cards are for spending, not saving. Gift cards are a service, not a savings product or bank account in which to store money. As a result, a select few cards will charge an administration fee if money is left there for a long time. To avoid this, simply spend your cards in good time. You would have more than a year to do this, so



there's no rush, but try to keep them somewhere visible so that you are reminded to use them.

This time of year especially, it's a good idea to make use of any gift cards from last Christmas or your 2021 birthday, and put them towards an end of year treat.

When it comes to expiry dates – which some, but not all cards have – these should always be easy to find and displayed prominently. This is an important point the GCVA stresses to all of our members and, if not highly visible on the card, the terms and conditions will always be available on the company website. If your gift card is approaching expiry, it's a good idea to ask the gift card issuer if they will extend an expiry date – they will often say yes.

Retailers want you to spend your gift cards. This is because spending gift cards often leads to further 'top-up' spending as people seek to buy something extra special as a treat.

[According to GCVA research](#), 96.2% of shoppers spend up to an extra £50 upon gift card redemption. Therefore, retailers will often be more than happy to help you to make use of your gift.

Finally, in the unhappy case of a major retailer entering administration, as was the case with the Arcadia Group and Debenhams, act quickly. It's worth remembering that gift cards will almost always continue to be honoured, although this is at the appointed administrators' discretion and restrictions may come into force.

That said, administrators and retailers alike know that gift cards encourage shoppers into stores and keep the tills ringing. When retailers enter administration this is often a key priority.

We recognise that gift cards play an extremely important role for so many, particularly at this time of year as the festive season approaches. To ensure people get the most out of their gift cards, whether buying or receiving them, we have created [a guide for shoppers](#) to help them get the most out of their gift.

**Ends**



## About the GCVVA

The Gift Card & Voucher Association ([www.gcva.co.uk](http://www.gcva.co.uk)) was established as a trade body to represent the key players in what is today a c£7billion gift card and stored value solutions market. With 80 members representing key retailers, issuers and suppliers the GCVVA provides an information and reference point for the Gift Card & Voucher industry and is at the forefront of the issues affecting the industry.

Its main objective is to provide a platform and infrastructure for the industry and to raise the profile and use of gift cards and vouchers within the UK, promoting the industry to consumers, businesses, government and other interested parties.

The GCVVA is the key industry organisation to share new ideas, innovate and promote best practice with the UK gift card and voucher industry. It runs a programme of events, meetings, research projects and updates throughout the year, including its flagship conference, a key date in the industry calendar. The annual conference, which runs over two days, will take place on a virtual cutting-edge conference platform in 2021. The event is open to a global audience that will bring together all stakeholders in the sector to learn, debate, network and focus on the industry.