

# Minimum Unit Pricing

## Guidance for retailers in Wales

From 2nd March 2020, all licensed premises, including convenience stores, must comply with the Public Health (Minimum Price for Alcohol) (Wales) Act 2018. This means that retailers must not sell alcohol below 50p per unit.

**There is no grace period for the introduction of Minimum Unit Pricing. Retailers must comply from 2nd March 2020.**

Ahead of implementation, retailers should identify which alcohol products they sell will be affected by the regulations and amend the price of the affected products.

### Step 1 – Identify Which Products You Sell Which Will Be Affected

Minimum Unit Pricing will apply to all drinks with an ABV above 1.2%. To ensure that you're not caught out before 2nd March 2020, you should calculate the Minimum Unit Price of alcohol products you sell, amend the prices of affected products, and sell through any affected price marked packs.

### Step 2 – Calculate the Minimum Unit Price

To calculate the Minimum Unit Price of alcohol products you sell, retailers should use the formula below:

$$50p \times \text{strength of alcoholic drink (ABV)} \times \text{volume of alcoholic drink (L)}$$

Retailers should not calculate the Minimum Unit Price by multiplying 50p with the number of the units labelled on the alcohol product as this may be below the Minimum Unit Price and breach the regulations.

### Examples of minimum prices under the new regulations



A 700ml bottle of spirits with an ABV of 37.5% would have a minimum price of:

$$£0.50 \times 37.5 \times 0.7L =$$

$$£13.125 \text{ rounded up to } £13.13$$

£13.13



A 568ml can of lager at 4.3% ABV would have a minimum price of:

$$£0.50 \times 4.3 \times 0.568L =$$

$$£1.2212 \text{ rounded down to } £1.22$$

£1.22



A 75cl bottle of wine with an ABV of 12.5% would have a minimum price of:

$$£0.50 \times 12.5 \times 0.75L =$$

$$£4.6875 \text{ rounded up to } £4.69$$

£4.69

Rounding to the nearest penny: Where the calculated price is not a full penny, retailers should round this up to the nearest whole penny. For example, if the calculated price is £4.254 this is rounded down to £4.25. If the calculated price is half a penny, for example £4.255, this must be rounded up to £4.26.

### **Multipacks**

When calculating the Minimum Unit Price for multi-packs of alcohol, retailers should calculate the price per unit then scale up, using the formula below:

$$50p \times \text{strength of alcoholic drink (ABV)} \times \text{volume of alcoholic drink (L)} \times \text{number of products in multipack}$$

Information should include both multipack and single article prices where a multipack product can be split for individual sale on the premises.



A case of 24 440ml cans of beer at 4% ABV would have a minimum price of:

$$£0.50 \times 0.44L = £0.88 \text{ per can}$$

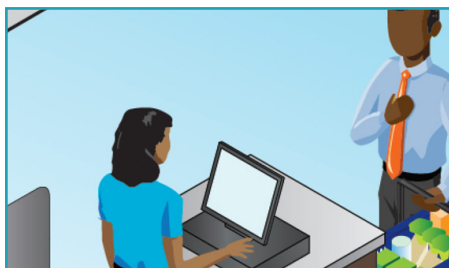
$$\times 24 = £21.12$$

£21.12

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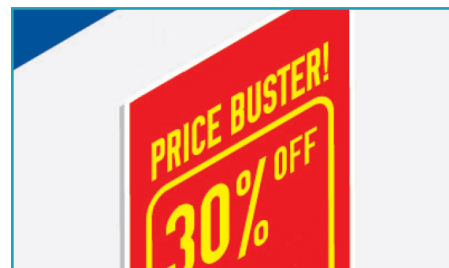
### **Step 3 – Amend Prices of Affected Products**



Update central EPOS (if you have one)



Update shelf labelling



Update any promotional leaflets or posters

Retailers should update shelf labelling to reflect the new price of alcohol products affected by Minimum Unit Pricing.

Retailers should not update the price on price marked packs. It is illegal for retailers to sell a price marked pack above the price advertised on the product under the Consumer Protection from Unfair Trading Regulations 2008. We recommend that you sell through any affected price marked packs before 2nd March 2020.

When updating the pricing of alcohol in promotional leaflets and posters, retailers should also ensure that their multi-buy in-store promotions, such as “meal deals” and discount vouchers are compliant with Minimum Unit Pricing.

#### **Multi-Buy Promotions**

If alcohol is part of a promotion with other products or services, for example, a bottle of wine is sold with food as part of a “meal deal”, the minimum price would be the minimum price that would apply to the alcohol if sold on its own. Retailers do not need to account for the price of items that are not alcohol.

#### **Discount Vouchers**

Retailers may continue to apply discount vouchers for alcoholic drinks, but must ensure that the price of the product, after all applicable discounts are applied, does not fall below the minimum price of the product.

Money off vouchers that are offered to customers, for example, save £2 when you spend £20, can still be used to purchase alcohol as long as the total cost of the sale is not below the minimum price for the alcoholic products.

#### **What happens if I don't comply?**

If a retailer is found to be selling alcohol below the minimum unit price, they may be issued with a Fixed Penalty Notice by their local authority. A Fixed Penalty Notice is a £200 fine if payment is made within 29 days or a £150 fine if payment is made within 15 days.

A person found guilty of the offence of supplying alcohol in Wales below the applicable minimum price may also be liable to a fine of up to Level 3 (currently £1,000). Breaching the regulations can also be considered a personal licence relevant offence and could lead to suspension or revocation of the person's personal licence.

For more information, visit: <https://gov.wales/implementation-law-minimum-pricing-alcohol-mup>

Materials for retailers to communicate minimum unit pricing in-store are available here: <https://gov.wales/minimum-unit-pricing-alcohol-resources-retailers>