

Deposit Return Scheme for drinks in Wales British Retail Consortium briefing | March 2026

Background

- Retailers support a UK-wide DRS with full alignment on in-scope materials and welcomed the recent news that the Welsh scheme will enable a unified approach for aluminium cans and plastic bottles.
- An effective, aligned and efficient four-nation DRS could cut litter by up to 89% and push recycling rates above 90%.
- However, following a conditional exclusion from the UK Internal Market Act, single-use glass containers will be in-scope of Welsh DRS – which is not the case in the other UK nations.
- Wales already has an impressive household glass recycling rate of 92% and retailers recognise the Welsh Government's ambition to build on this.
- For the first four years of Welsh DRS operations, glass containers will not require specific labelling, nor will deposits be charged.
- Retailers **do not** want to see DRS scrapped – they are already investing billions of pounds to prepare for launch in October 2027 – but have some concerns about the practical implications of including glass in Welsh DRS, and the current lack of an administrator to oversee the scheme.
- Retailers want to work with the Welsh Government to deliver a unified, UK-wide scheme for aluminium cans and plastic bottles, while working on an approach to glass to ensure the best outcomes for the people of Wales and across the UK. With the right approach, together, we can move forward with confidence, kickstarting the circular economy, boosting recycling and reducing litter.

Concerns over the inclusion of glass

- **Scheme administrator:** The Welsh Government is yet to appoint an administrator to oversee DRS in Wales. The scheme is due to go live in October 2027, but if an administrator is not appointed extremely soon, Welsh DRS may not be in-place by the time DRS launches in the other UK nations.
- **Traceability during the transition period:** As labels for glass drinks containers sold on the Welsh market won't be required for the first four years of DRS in Wales, it's unclear how retailers will be able to trace and account for the full volume of containers they'll handle, and therefore, how they'll be fairly reimbursed. There is a risk of cross-border fraud, to the tune of £300m, and customer confusion because glass containers bought in Wales can only be returned in Wales, but glass containers bought in England can't be returned in Wales. Retailers also need urgent clarity as to how extended producer responsibility and packaging waste recovery note fees for all drinks containers will be avoided during this period,.
- **Space pressure in small stores:** Welsh stores are, on average, half the size of their counterparts in other UK nations, creating significant space constraints for implementing DRS (e.g. space needed to house return vending machines (RVMs) and store returned containers). This may lead to retailers reducing product ranges to accommodate RVMs, raising breakeven thresholds for smaller stores. A higher retail handling fee should be applied to small return point operators in Wales to keep DRS neutral and fair. Moreover, because deposits won't be required for glass

drinks containers for the first four years of Welsh DRS, consumers will lack incentives to return glass containers; a low return rates means the scheme may not be cost-neutral for retailers as retailers will be reimbursed on a per-container basis.