

# VAT Increase

Aberdeenshire Council  
Trading Standards



## Price Indications & Increases in VAT

The following information is intended to assist retailers in complying with Trading Standards pricing legislation due to changes in the standard rate of VAT.

There are a few basic requirements that traders must always comply with when selling goods and services:

- The price of goods must always be clearly indicated to consumers on or near the product and a customer should not have to ask the business for the price of the product.
- The price of a service should be clearly indicated to customers unless the price of the service differs depending on the circumstances and then the price should be provided before the service starts.
- The price of goods and services should not mislead any customers and sale prices should be meaningful and genuine.

Traders should amend their price indications as soon as practicable however the law allows a period of 28 days for all price indications to include the new rate of VAT however this is a maximum time period and pricing should be amended before this if possible. Prominent notices should be displayed during this time period to inform customers that due to the VAT increase a higher price will be charged at the checkout.

Traders displaying such notices but increasing the price by more than the increase in VAT are likely to be misleading their customers and these circumstances may constitute an offence.

Dual pricing is also acceptable during this period where both the price before and after the VAT increase is clearly indicated. The applicability of the two prices must be unambiguous and clearly displayed notices explaining the pricing system should be displayed.

**FURTHER ADVICE IS AVAILABLE FROM:**

Aberdeenshire Council  
Trading Standards Service.  
Gordon House, Blackhall Road, Inverurie,  
AB51 3WA  
Tel: 01467 628323 Fax: 01467 628117

Aberdeenshire Council  
Trading Standards Service.  
10 Commerce Street, Fraserburgh  
AB43 9AQ  
Tel: 01346 510505 Fax: 01346 510484

November 2010

---

These notes have been prepared by Aberdeenshire Council Trading Standards Service. They are provided for the guidance of traders and are not intended to be a definitive statement of the law. Only the courts can give an authoritative interpretation of legislation.