

My name is Niall Kennedy and I run Wee Beer Shop in Glasgow. We will be particularly impacted by the Deposit Return Scheme and I appreciate the opportunity to speak with you today because I feel that the development of DRS has failed small retailers to a point where it will cause irrevocable damage.

Wee Beer Shop is a small independent off license specialising in selling small batch and unusual beers from across the UK and Europe from small independent micro breweries.

We were an early supporter of a Deposit Return Scheme but the scheme, in its current form, is inflexible when dealing with small producers and retailers, and means that my business will no longer be viable and will mean that I will have to close the business.

My business's USP is selling interesting small batch beer from independent breweries, for the most part from outside Scotland - beers that customers can't find in mainstream off licenses. I'm passionate about selling these unusual and interesting beers and supporting small breweries. Often, I am the sole outlet in Scotland of these beers and I'll be receiving 24 cans or bottles, or fewer, of a single SKU. The additional admin requirements of DRS will make it impossible for breweries to make and sell these beers, which by its nature is made in small volumes so costs can't be spread over large production volumes.

I'd like to see costs being made more proportionate for small producers otherwise consumer choice will be vastly reduced.

I understand that through the scheme administrator there would be a requirement for breweries to register every beer and either have a separate Scottish only SKU and therefore a separate label or pay a higher producer fee and use a UK wide SKU. Because only a small proportion of total volume will be sold to Scotland I fear that breweries will find this too costly and they will cease supplying Scotland leading to Scottish beer drinkers like yourselves having a much reduced choice of beer.

More thought needs to be given to integrating DRS schemes throughout the UK to avoid these issues.

I also have an online shop and having to offer the takeback service will be undeliverable. It will be far too costly for us to arrange the pick-up of empty containers.

I'd like to see the requirement for small online retailers to arrange returns to be removed from the scheme. Otherwise I will need to cease selling online in Scotland.

Retailers need to purchase and install expensive equipment to process returns - something my business has no physical space to host - I literally have a wee shop. I also have concerns about the ability of small shops to manually process and store returns. I staff my shop myself and will struggle to process returns and run the shop at the same time.

DRS has been designed, perhaps understandably, with large producers and retailers in mind. Little thought has been given to the ability of small retailers and producers to comply with the requirements of the scheme. I understand that it may be seen as collateral damage, but many small business like mine are going to suffer and cease to exist because of the scheme.

