

The “swing-o-meter momentum” continued for retailers in 2019. Retail figures for 2019 saw spending fall by 0.1% in 2019. To balance this, we saw a decline in the number of retail jobs lost.

Compliance and regulation, we predict, will continue to be high on the retail agenda this year. We have seen an unhappy new year for Currys PC World and Dixons Travel stores, as the [Information Commissioner’s Office has issued owners DSG Retail Limited with a monetary penalty notice of £500,000](#) for serious security failings involving point of sale terminals in stores. We will aim to keep you up to date with key trends, legislation updates and best practices during 2020 with *Retail Quarter*.

If any of your colleagues would like to receive our updates, please contact [Kelly Callisen](#).



New UK National Living and Minimum Wage Rates From 1 April 2020

The government has accepted the Low Pay Commission’s recommendations for increases in the hourly rates of the National Living Wage (the statutory minimum wage for workers aged over 25) and the National Minimum Wage. The revised hourly rates are:

- Workers aged over 25 to increase from £8.21 to £8.72 (6.2%) – a full-time worker will see an increase of £930
- Workers aged 21 – 24 to increase from £7.70 to £8.20 (6.5%)
- Workers aged 18 – 20 to increase from £6.15 to £6.45 (4.9%)
- Workers aged 16 and 17 to increase from £4.35 to £4.55 (4.6%)
- Apprentices aged under 19 or in the first year of their apprenticeship to increase from £3.90 to £4.15 (6.4%)

The government intends to expand the reach of the National Living Wage to cover workers aged 23 and over from April 2021, and to those aged 21 and over within five years.

According to the Resolution Foundation think tank, a quarter of people aged 25 and over do not receive the appropriate minimum wage. HM Revenue & Customs is still actively investigating employers across the UK for breaches. We can provide an audit of working and pay practices is advisable to identify any issues.

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Buy Now, Pay Later – New Compliance Rules Coming Into Force

It was recently reported that Marks & Spencer is to offer a “buy now, pay later” (BNPL) option on its website for online customers. The company is modernising its services with the introduction of this payment scheme. Marks & Spencer joins the likes of ASOS and H&M in offering BNPL services.

In June 2019, the Financial Conduct Authority (FCA) published a policy statement with new rules for the BNPL market. The new FCA rules:

- Prohibit BNPL providers from backdating interest charges on paid amounts
- Require retailers to present BNPL offers to consumers in a clear and balanced way, providing adequate explanations of the costs and potential negative consequences
- Require BNPL providers to prompt consumers when the 0% interest period is about to expire

These new rules came into force last autumn.

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Influencer Advertising – Advertising Standards Authority Guide

There has been a huge increase in influencer advertising, and that is on all social media platforms.

In response to this, the regulators, the Advertising Standards Authority and the Competition and Markets Authority, have issued a [joint guide on advertising laws and rules](#).

The guide is easy to follow, for both brands and influencers, and explains how to use signposts and labels in social media to flag ads.

Disclosures are required to ensure that social media posts are not misleading. The regulators want to see ads prominently labelled as #ad or #advert so consumers understand that the posting is sponsored.

Affiliate links are also classified as a form of advertising and any content related to those links must comply with the rules. Failure to comply with the rules could be a criminal offence. [Watch our video](#) to find out more.

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Drone Rules – How Are Drones Relevant to the Property Side of Retail?

When negotiating their next store deal, retailers might well want add drone use into the equation. Key regulatory changes are opening up opportunities for the increased use of drones, which could mean the ability to send goods from, or receive deliveries to, their store by drones. When servicing the ever-increasing click and collect requirements, this may be very useful.

The key is making sure that (on a lease of whole) retailers include the airspace above the shop or unit or (on a lease of part) they include rights to use outdoor or roof space. Careful drafting of the user clause is advised to ensure drone deliveries are permitted.

Where retailers will have plenty of space that is suitable for drone deliveries and collections, they should look at how they can capitalise on this by licensing the space to others. [Watch our video](#) to find out more.

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