Scrap Metal Act - FAQs

Do I need to display my Licence?
Yes. If you have a Site Licence you must ensure that a copy is displayed at each site identified in the Licence in a prominent place in an area accessible to the public.
If you have a Collector's Licence you must ensure that a copy is displayed on any vehicle that is being used in the course of your business in a manner which enables it to be easily read by a person outside the vehicle.

Can I pay Cash for Scrap?
No. It is an offence under the Act to pay cash for scrap metal. You can only pay via the methods detailed below:
(a) by a cheque which under section 81A of the Bills of Exchange Act 1882 is not transferable, or
(b) by an electronic transfer of funds (authorised by credit or debit card or otherwise). The Secretary of State may amend these provisions to permit other methods of payment in which case these Notes of Guidance will be updated accordingly.

In operating as a Scrap Metal Dealer what records am I required to keep?
The Act states that a Scrap Metal Dealer must record the following information:

(a) the description of the metal, including its type (or types if mixed), form, condition, weight and any marks identifying previous owners or other distinguishing features;
(b) the date and time of its receipt;
(c) if the metal is delivered in or on a vehicle, the registration mark (within the meaning of section 23 of the Vehicle Excise and Registration Act 1994) of the vehicle;
(d) if the metal is received from a person, the full name and address of that person;
(e) if the dealer pays for the metal, the full name of the person who makes the payment acting for the dealer.

If the dealer receives the metal from a person, the dealer must keep a copy of any document which the dealer uses to verify the name or address of that person.
If the dealer pays for the metal by cheque, the dealer must keep a copy of the cheque.

If the dealer pays for the metal by electronic transfer:
(a) the dealer must keep the receipt identifying the transfer, or
(b) if no receipt identifying the transfer was obtained, the dealer must record particulars identifying the transfer.

If a dealer disposes of scrap metal under a Site Licence they must record the following information:
(a) the description of the metal, including its type (or types if mixed), form and weight;
(b) the date and time of its disposal;
(c) if the disposal is to another person, the full name and address of that person;
(d) if the dealer receives payment for the metal (whether by way of sale or exchange), the price or other consideration received.

If a dealer disposes of scrap metal under a Collector's Licence, they must record the following information:
(a) the date and time of the disposal;
(b) if the disposal is to another person, the full name and address of that person.
The dealer must keep the information and other records mentioned above for a period of 3 years beginning with the day on which the metal is received or (as the case may be) disposed of.
A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.