Scrap Metal Dealers Act 2013 replaces the previous registration system for scrap metal dealers created by the 1964 Scrap Metal Dealers Act. Under the new legislation, the definition of scrap metal dealers is extended to include motor salvage operators.

Under the 2013 Act, every scrap metal dealer will be required to have a licence issued by us as operating without one will be a criminal offence.

The Act gives us the power to better regulate these industries by providing a power to refuse to grant a licence and revoke licences if the dealer is considered “unsuitable”. Unsuitability will be based on a number of factors including any relevant criminal convictions.

Application for scrap metal dealer licence

There are two types of licence, one for a site and the other for a mobile collector.

> Site licence application - a site licence will be issued by the Local Authority in whose area a scrap metal site is situated and will require all of the sites at which the licensee carries on the business as a scrap metal dealer within the Local Authority area to be identified and a site manager to be named for each site. In doing so, they will be permitted to operate from those sites as a scrap metal dealer, including transporting scrap metal to and from those sites from any Local Authority area.

> Mobile collector's licence - a mobile collector's licence will authorise the licensee to operate as a mobile collector in the area of the issuing Local Authority, permitting them to collect any scrap metal as appropriate. This includes commercial as well as domestic scrap metal.

Please note: a scrap metal dealer can only hold one type of licence in any one local authority area. Applicants have to decide as to the appropriate licence to apply for as they cannot hold both a site and mobile collector's licence within the same Licensing Authority area.

The licence does not permit the collector to collect from any other Local Authority area; a separate licence would need to be obtained from each Local Authority in whose area the individual wished to collect in. A licence also does not authorise the licensee to carry on a business at a site within any area - should a collector wish to use a fixed site, they would need to obtain a site licence from the relevant Local Authority. There is no restriction as to the location where the collector may transport and sell their metals.

Duration of Licence

A licence, if granted, will be issued for a period of three years from the date of issue.

Fees

> Site licence £441
> Collectors licence £240
> Variation of a licence £40
> Replacement licence £25
Responsibilities of a licensee

A licensee must display a copy of their licence appropriately, as follows:

- for site operators, this must be in a prominent place in an area accessible to the public
- for mobile collectors, it must be in a manner which enables the licence to be easily read by a person outside the vehicle.

A criminal offence is committed by any scrap metal dealer who fails to fulfil these requirements.

Qualifying criteria

The Act places a requirement on scrap metal dealers, site managers and employees who have been delegated the responsibility to do so, to verify the identity of the person they are receiving metal from and the person’s address. This verification must be done by reference to data, documents or other information obtained from a reliable or independent source, such as the Identity and Passport Service, the Driver and Vehicle Licensing Agency, a bank or utility company etc.

The Secretary of State will prescribe in regulations the data or documents which are sufficient, or not sufficient as the case may be, for verifying identity.

It is an offence not to obtain and verify the seller's identity. The offence will apply to the scrap metal dealer, the site manager and any person, who under arrangements made by either the scrap metal dealer or the site manager, has responsibility for fulfilling this requirement on behalf of the business.

Section 13 of the Act sets out the record-keeping requirements in respect of any scrap metal received by a scrap metal dealer in the course of their business. Information that is required to be recorded includes the type of metal being purchased:

- the time/date of the transaction
- personal information on the seller
- who is acting on behalf of the dealer and proof of the non-cash transaction.

Failure to comply with the requirements of this section is an offence attracting a penalty up to level 5 on the standard scale. The Act also prohibits the payment of cash for metals.

Key features of the Act

- Requires all individuals and businesses to complete an enhanced application process to obtain a scrap metal dealers licence
- Local authorities will have the power to turn down unsuitable applicants and the power to revoke a licence
- Requires all sellers of metal to provide personal identification at the point of sale, which is then recorded by the scrap metal dealer
- Extending the offence of buying metal with cash to itinerant metal collectors
- Powers for the police and local authorities to enter and inspect sites
- A central public register, hosted by the Environment Agency, of all individuals and businesses licensed as scrap metal dealers
- Widened definition of a scrap metal dealer to include motor salvage operators.