

# Returns of unwanted online purchases set to cost the UK economy up to £505m and UK consumers 52 minutes each this Christmas

*Returns expected to peak this Wednesday as online shoppers have second thoughts on purchases made in 'Black Friday' and 'Cyber Monday' sales*

- Brits will **return 31% of the items they buy online** this Christmas, with a surge after 'Black Friday' anticipated on Wednesday 3 December - dubbed '**Boomerang Wednesday**'
- The average Briton will spend **52 minutes returning their online purchases** this Christmas
- **19%** of people have previously **taken time out of work to return their online shopping...**
- ...With the cost to the UK economy expected to reach **£505m** this Christmas

**London, UK – 3 December 2014:** CollectPlus, the modern alternative to the Post Office, today revealed that British shoppers estimate they will return **almost one in three of the items** they buy online this Christmas and spend an average of **52 minutes** each returning unwanted online purchases over the festive season, costing the UK economy almost **£505m\*** in lost hours.

The news comes as CollectPlus predicts there will be a peak in the number of gifts bought online being returned today, Wednesday 3 December - dubbed '**Boomerang Wednesday**' – following 'Black Friday' and 'Cyber Monday,' after shoppers change their minds about their purchases and look to get a quick refund so they can find alternative gifts in time for Christmas.

CollectPlus reported a **25% increase in parcel return volumes** in the same week on Thursday in 2013, compared to an average Thursday outside of the Christmas period. With the growing significance of Black Friday, CollectPlus predicts that returns will peak a day earlier this year, **estimating an increase in returns volume of 30% today, Wednesday 3 December**, and continuing into Thursday 4 December as customers return items bought on 'Cyber Monday'.

**Neil Ashworth, CEO of CollectPlus, said:** *"With the increased enthusiasm for 'Black Friday' and 'Cyber Monday,' we expect to see a sharp returns peak starting today - 'Boomerang Wednesday'. This will be the first peak in the immediate aftermath of these two huge online sales days and we predict this will be followed by another in the week before Christmas. Our research tells us that the average shopper is taking valuable time and losing money each year due to complicated or costly returns. As such, it is imperative that retailers have a robust model in place to ensure that customers can conveniently return any unwanted items and are quickly reimbursed."*

Although people are now returning items more quickly than ever before, and retailers have significantly improved their returns processes in recent years, the overall convenience of the service remains behind customers' expectations. Thirty-nine percent of Brits admit to returning items they have bought online in the past year, with the average person spending 8 hours and 42 minutes returning goods over the course of 2014. Almost a fifth (19%) have taken time out of work to return an item, one in ten (10%) during their lunch hour.

Many shoppers cite barriers when it comes to returning their online purchases, with more than one in five (21%) admitting they delay returning unwanted items because they do not want to wait around in a queue, and one in seven (14%) saying they resent having to plan their day around Post Office opening hours. In addition, 27% are put off ordering something online in the first place

because they do not want the hassle of returning it if it is not right.

One in eight (12%) estimate they fail to recoup at least £240 every year on items they have bought online and later decided they did not want but never returned - either due to the fact they do not want to pay return postage (37%), just can't be bothered (36%) or they are put off by the thought of busy shops, particularly during the festive season.

For those worried about not being able to return their parcels during traditional opening hours, CollectPlus provides online shoppers with a more convenient alternative to the Post Office in terms of opening hours and locations through its 5,800 parcel outlets, all of which are open seven days a week, early 'til late. As well as working with over 260 retail brands to offer customers a convenient tracked returns service, CollectPlus is the largest third party click and collect provider in the UK. It enables customers of more than 40 brands, including Amazon, John Lewis, Very, ASOS and The White Company, to have their online purchases delivered to their local store which they can collect at a time that suits them, any day of the week.

CollectPlus is a joint venture between PayPoint, the leading retail payment network, and Yodel, the UK's leading independent parcel carrier.

**-ENDS-**

## **Notes to Editor:**

### ***About the research***

The research was conducted by ResearchNow and commissioned by CollectPlus, with fieldwork conducted in November 2014. Data was secured via telephone interviews, with the UK sample consisting of 2019 adults. The calculation of cost of waiting was based on the following formula:

#### **\*Anticipated time spent returning items over the Christmas period**

- The average UK annual salary is £27,200 (source ONS Nov 2014)
- Per week, that salary is £523.08 (£27,200 / 52 weeks)
- Average working week is 37.5 hours = 2,250 minutes
- Average salary per minute is 23.25p (£523.08 / 2,250 minutes) - £0.2325
- An average of '52' minutes spent on waiting means a cost of '52' x £0.2325=£12.09

The UK adult population figure used in this research is 49,122,000 (source ONS 2011 Census). Based on our survey of 2019 respondents, 85% (1,716 UK adults) will spend time returning online purchases or sending parcels over the Christmas period. Therefore, based on 85% of the adult population, 41,753,700 will return or send parcels over the Christmas period. If the cost of sending these parcels for each person is £12.09, the cost to the nation, therefore, is £504,802,233.

For further information, please contact the CollectPlus team at the Red Consultancy:

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CollectPlus scores 8.7/10 on [TrustPilot](#), with 77.8% of customers giving CollectPlus 4/5 stars (as of 03.12.14).

## **ABOUT COLLECTPLUS**

CollectPlus is the largest store-based delivery and returns service giving online shoppers the

ability to collect and drop off parcels at their local store. Founded in 2009, it answers a clear need for a modern alternative to the Post Office that is convenient and easy to use.

The success of the innovative model is reflected in the 260 retail brands that CollectPlus provides returns solutions for, with nearly 100 added over the past year. Click&Collect+, which enables customers to order online and have their items delivered to their local CollectPlus store, is available from a rising number of retailers; from Amazon to Asda and House of Fraser to River Island. This complements the returns offer that CollectPlus provides to retailers, thereby offering a complete delivery and returns service.

With a network of over 5,800 stores open early 'til late seven days a week; 90% of the UK population already live within a mile of a CollectPlus shop in urban areas and 89% within five miles in rural areas. The store network has grown by over a quarter in the last 12 months and continues to expand.

CollectPlus is a joint venture between PayPoint, the leading retail payment network, and the UK's leading independent parcel carrier, Yodel.

## **ABOUT PAYPOINT**

PayPoint is an international leader in payment technologies, its solutions transforming payments for everyone from consumer and financial services companies to retailers, utilities, media, e-commerce, gaming and government clients.

PayPoint delivers payments and services by taking the complexity of multi-channel payments and translating it into convenient, simple, value-added solutions. It handles almost £15 billion from 785 million transactions annually for more than 6,000 clients and merchants.

With the backing of 24/7 operations centres with dual site processing, PayPoint is widely recognised for its leadership in payment systems, smart technology and service.

### **Retail networks**

The PayPoint retail network across the UK numbers over 28,000 local shops (including Co-op, Spar, McColls, Costcutter, Sainsbury's Local, Tesco Express, One Stop, Asda, Londis and thousands of independents), where it processes energy meter pre-payments, bill payments, benefit payments, mobile phone top-ups, transport tickets, BBC TV licences, cash withdrawals and a range of other transactions. In Romania, the retail network numbers over 8,750 terminals in local shops, helping people to make cash bill payments, money transfers, road tax payments and mobile phone top-ups. In the Republic of Ireland, over 500 terminals in shops and credit unions process mobile top-ups and bill payments.

PayPoint's ATM network numbers more than 3,750 'LINK' branded machines across the UK, and 9,500 PayPoint terminals enable retailers to accept credit and debit cards.

### **Mobile and Online**

PayPoint Mobile and Online (formerly trading as PayPoint.net, PayByPhone and Adaptis) handles over 139 million payments for parking, payments and consumer services. In major cities in the UK, Canada, USA, France, Switzerland and Australia, its parking solutions make it easy for people to pay for parking by mobile, as well as providing electronic parking permits, automatic number plate recognition systems for car parks and penalty charge notices.

PayPoint's core online payments platform is linked to 16 major acquiring banks in the UK, Europe

and North America, delivering secure credit and debit card payments for almost 5,000 online merchants. Its suite of products ranges from transaction gateway to a bureau service, in addition to value-added services such as FraudGuard, an advanced service that mitigates the risk of fraud in card not present transactions.

## **ABOUT YODEL**

Yodel is the UK's leading independent parcel carrier, offering the widest range of service options. The company handles over 155 million parcels every year and has a relationship with 85 per cent of the UK's top retailers. Yodel is headquartered in Hatfield and has over 60 locations across the UK, including three central sorts and over 50 service centres. Yodel offers a range of services to meet the needs of its clients and their customers:

- Yodel Home and Yodel Business - two van-based networks with service centre based drivers
- Yodel Neighbourhood - a neighbourhood courier service offering extended delivery hours
- Yodel World - international service
- YodelDirect – Yodel's door-to-door consumer parcel service, ideal for online marketplace sellers and SMEs. It is the current sponsor of the Tour of Britain YodelDirect sprints jersey.
- Arrow XL - Through its sister company Yodel also offers a two man service for white goods and large items up to 120kg