

Information for companies to determine whether “significant” sale of metal requiring collectors licence or site licence or “incidental” selling of metal by builders, house clearance and other companies and not requiring a licence?

What is a scrap metal dealer, what is a site, what is a mobile collector and what is scrap metal?

The 2013 Act defines a scrap metal dealer, a site, a mobile collector and scrap metal.

A dealer is defined under s21(2) of the Act as someone carrying on a business which consists wholly or in part of buying or selling scrap metal, whether or not the metal is sold in the form in which it is bought. However a manufacturing business that sells scrap metal created only as a by-product of the processes it uses, or because it has a surplus of materials, is not caught by this definition (see s21(3)).

The definition of scrap metal dealer is deliberately quite widely drawn, and there are no further details provided in the Act or the explanatory notes about who potentially might have to apply for a licence. Does it, for example, include firms that hire out skips, or to tradesmen like plumbers or builders who sell scrap metal resulting from any work they do?

The answer to this question varies according to individual circumstances to a certain extent, but generally where the sale of the metal is incidental to the main type of work or business undertaken then a licence will not be needed. In the case of most tradesmen such as plumbers and electricians and some skip hire firms the sale of scrap metal is not an integral part of their business and they will not require to be licensed as a scrap metal dealer. Where though there is a reasonable expectation, for example, that the material deposited in the skip will contain significant amounts of scrap metal, such as skips used where there is demolition activity or ones sited at engineering manufacturing establishments and plumbers' yards, then the skip hire company will generally require a scrap metal dealers licence.