

Guidance on Transparency for Consumers

Businesses should ensure that information about service charges, tips, gratuities and cover charges is made available to consumers on the premises and before they make the decision to make any discretionary additional payment.

The information should cover:

- whether a charge is mandatory or discretionary
- whether an amount is deducted by the business to cover costs incurred in handling these charges (deductions could be credit card and banking charges, and/or payroll processing costs)
- whether cash tips and card tips are distributed differently
- how the remainder is shared between the business and the workers.

There is a variety of ways for the business to make the information easily available on the premises to consumers, for example:

- clear and easily visible written information available on door stickers or wall notices or on menus displayed outside the venue
- on the menu in the case of restaurants
- in the reception area and/or at the gaming table in the case of casinos
- information on the bill presented to the customer
- information made available to customers in the bill folder in leaflet form or on the 'tips' tray.

In addition, businesses should ensure that workers can direct consumers to further information, for example a written statement setting out the business policy on tips. Businesses may wish to make further information available through their websites, or on promotional material.



Examples of disclosures that businesses may wish to consider using:

Example A:

We are committed to the code of best practice on service charges, tips, gratuities and cover charges.

This restaurant adds a discretionary service charge to customers' bills.

10 per cent of any discretionary service charge or card tip which you choose to pay is retained by the business to cover the charges we incur in processing your payment, card fraud losses and administration costs in distributing sums to staff.

20 per cent of the discretionary service charge or card tip is retained by the business [this includes deductions for breakages, till shortages and walkouts] and 70 per cent is shared between the staff.

All cash tips go to the staff.

The amount available for employees in the restaurant is shared out through a system controlled by a staff representative.

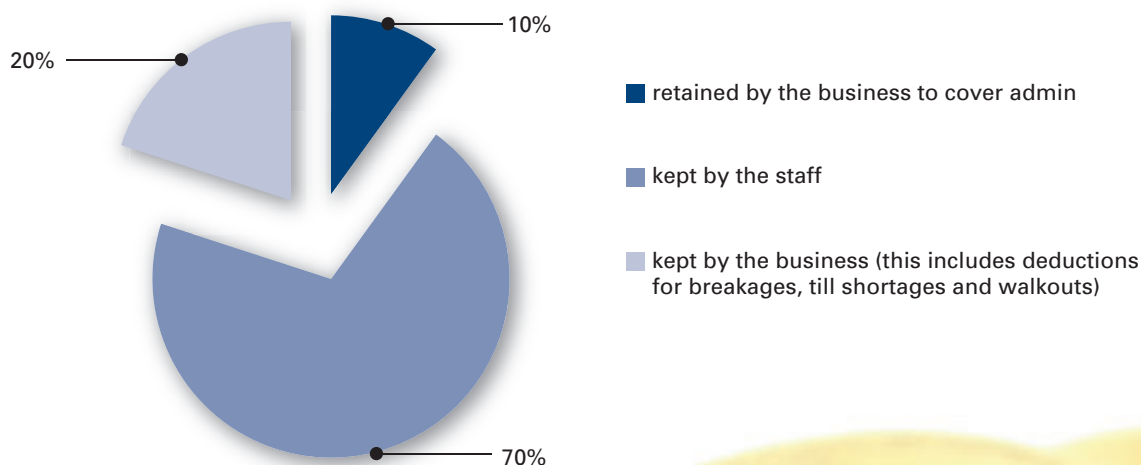
OR

We are committed to the code of best practice on service charges, tips, gratuities and cover charges.

For every £1 received in card tips, the workers keep 70p, 10p covers business costs and administration and 20p goes to the business [this includes deductions for breakages, till shortages and walkouts]. All cash tips go to the staff.

Or, illustratively

We are committed to the code of best practice on service charges, tips, gratuities and cover charges.



Example B:

We are committed to the code of best practice on tips. `

If you choose to leave a tip through a card, we will retain 10 per cent to cover the charges we incur in processing your payment, card fraud losses and administration costs in distributing sums to staff and business costs [this also includes deductions for breakages, till shortages and walkouts].

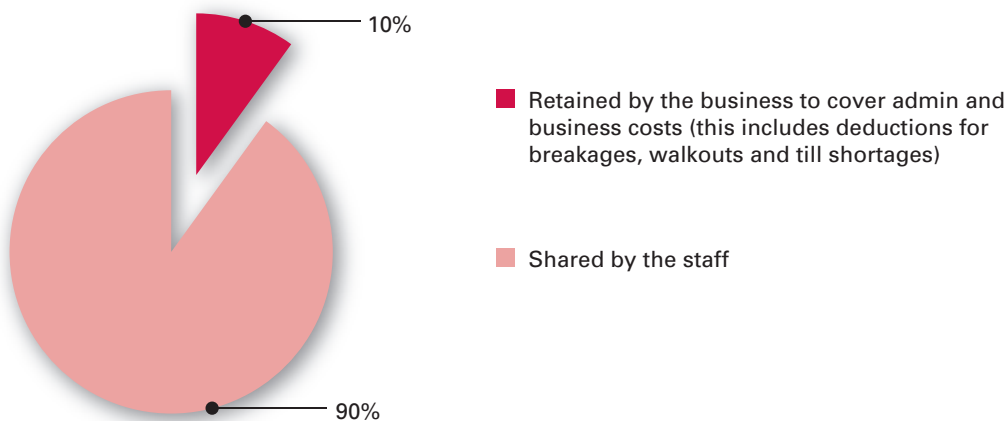
The remaining 90 per cent is allocated to the staff in the business and is shared out through a system controlled by a staff representative.

All cash tips go to the staff.

Or

For every £1 received in card tips, 90p is shared amongst the staff and 10p covers administration, processing and business costs [this also includes deductions for breakages, till shortages and walkouts]. All cash tips go to the staff.

Or, illustratively



** All cash tips go to the staff.*

Example C:

We do not add a service charge to your bill.

100% of the tips you leave are distributed amongst the staff according to their wishes.



Visit

<http://www.beff.gov.uk/files/file52948.pdf>

to download the full guidance code