The Rt Hon Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

14th October 2026

Dear Chancellor

Urgent request to abolish £135 De Minimis Customs Duty Exemption at Autumn Budget 2026

We, the signatories to this letter and representatives of a larger stakeholder base, write to urge the Government to bring forward the abolition of the £135 de minimis customs duty relief for low-value imports and to announce its expedited removal in the Autumn Budget 2026.

UK retailers have consistently raised concerns regarding the unfairness of the current position. Organisations including the British Retail Consortium and major UK businesses have argued that domestic retailers, which employ UK workers, pay business rates and comply with domestic regulatory obligations, should not be required to compete against importers benefiting from a complete customs duty exemption on low-value consignments.

You will be aware that the policy decision to abolish the exemption has already been taken in principle – the remaining issue is timing. Continued delay until October 2028 imposes unnecessary and growing costs on UK retailers, consumers, domestic manufacturing, product safety enforcement and the Exchequer. All the evidence demonstrates that the current regime is no longer sustainable: low-value parcel imports benefiting from the exemption reached approximately £5.9 billion in the year to April 2025, an increase of 53 per cent on the previous year. The existence of the exemption continues to incentivise rapid growth in direct-to-consumer imports that can enter the UK market free from customs duty, creating a significant competitive distortion for domestic businesses operating and investing in the United Kingdom.

The international context further strengthens the case for immediate action. The European Union introduced an interim duty regime on low-value parcels from July 2026 and is moving towards a permanent system from 2028. The United States also ended its equivalent de minimis exemption in August 2025. As other major markets tighten their regimes, the United Kingdom now becomes the destination of choice – more accurately, a “dumping ground” – for trade flows diverted from jurisdictions that have already acted.

The costs of delay extend beyond market distortion. The exemption facilitates very high volumes of low-cost imports, damages UK retail prospects, complicates effective product safety oversight and postpones revenue that could otherwise be realised by the Exchequer. It is also associated with wider concerns regarding waste, resource consumption and the environmental impacts of fast-moving low-value goods entering the UK market in increasing volumes.

Concerns regarding implementation should not prevent accelerated reform. Practical mitigations have already been identified through consultation responses, including targeted enforcement focused on large e-commerce platforms, adjusted logistics arrangements, continued VAT collection at the point of sale and appropriate protections for smaller importers. These issues are matters of policy design rather than any justification for postponement.

We request that the Government confirm an accelerated timetable in its Autumn Budget 2026 for abolishing the £135 de minimis customs duty relief and implementing the necessary reforms at the earliest practicable opportunity. Such a step would align the United Kingdom with developments in other major economies (principally the USA and EU), support fair competition and strengthen confidence in the integrity of the UK customs regime and the government’s own bold actions in support of UK Plc and the broader growth agenda.

We would welcome the opportunity to discuss this issue further and can provide additional evidence that will assist HM Treasury in considering the case for accelerated implementation.

Yours sincerely

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