

BRITISH GOVERNMENT LIKELY TO BAN CASH PURCHASE / SALE OF SCRAP MATERIAL

An industry leader has warned that the government's plan to ban scrap metal cash payments will drive many small firms to insolvency.

Mr Ian Hetherington of the British Metals Recycling Association was responding to new government proposals aimed at making cash payments for scrap metal illegal with the stealing of scrap metal leading to unlimited fines.

Home secretary Mr Theresa May said that "There is an urgent need to make stealing metal less attractive to criminals and tackling the stolen metal market will act as a significant deterrent. People who deal in stolen metal are criminals, pure and simple. Their activities are bringing misery to individuals and communities as well as damaging our economy. We're putting a stop to cash payments and we're imposing unlimited penalties on anyone who breaks the law."

But Mr Hetherington told Channel 4 News that "Our members rely on a large number of small scrap metal merchants who buy traditionally from plumbers, farmers and the general public and this trade, for 150 years, has been conducted in cash. We're facing a large number of small businesses potentially going out of business and having no impact on the rate of metal theft in this country."

The home secretary's announcement came shortly after the Transport Select Committee published a report into cable theft on the rail network.

According to the study Ministers said churches and electricity networks were also a target for thieves, in 2011, over 35,000 journeys were delayed or cancelled due to cable theft on railways, which cost Network Rail more than GBP 16 million.

The Committee said metal dealers are in the weakest link in the problem and called for the outlawing of cash payments and the introduction of identity checks for those selling metal. MPs also urged greater policing of the railways to deter cable thieves.

The outlawing of scrap metal cash payments and the introduction of unlimited fines are expected to come into force in April 2012.

