

VAT'S THE PROBLEM

Talking to your customers about #VatsTheProblem

A front-of-house guide from Countertalk

From 1 July the VatsTheProblem campaign is asking guests to back a fairer 10% VAT for hospitality and sign the petition.

It's important to get the messaging right.

This is what you need to know, when customers ask.

THE LINES TO REMEMBER

1

20% VAT HERE, BUT 10% ACROSS MUCH OF EUROPE

Only Denmark is higher than us; France, Italy and Spain pay 10%, Germany just 7%. The campaign simply asks to bring us in line with our neighbours.

2

COSTS HAVE PILED UP ALL AT ONCE

Tax, wages, business rates, energy and food prices have all risen together, leaving margins thinner than they've ever been. The same squeeze is hitting customers too, so we can't simply raise prices to cover it.

3

AROUND 170,000 HOSPITALITY JOBS GONE SINCE THE 2024 BUDGET

That's over half of all UK job losses, at seven times the rate of the wider economy.

4

FOUR HOSPITALITY VENUES ARE CLOSING EVERY SINGLE DAY

These are full, well-run, beloved places going under because the costs no longer add up. For many, a 10% VAT rate is the difference between a business that can stay open and one that can't.

5

OVER A MILLION YOUNG PEOPLE ARE NOW NEET

(Not in Education, Employment or Training)
The highest in over a decade. The government acknowledges that hospitality is one of the biggest things keeping young people out of that statistic.

6

HALF OF ALL BAR, WAITING AND CAFÉ STAFF ARE 16-24.

No other industry gives young people their first job at this scale — no CV, no qualifications, no experience necessary — in every town and village, not just the cities.

7

£25 TO KEEP SOMEONE ON BENEFITS FOR EVERY £1 SPENT GETTING THEM INTO WORK.

Saving these jobs isn't a drain on the public purse — it's one of the cheapest ways to save it money. Hospitality gets young people into work for free.

8

HOSPITALITY IS COMMUNITY.

Shuttered venues create decline. The three things at stake are the jobs people rely on, the businesses that create them, and the communities that rely on both.

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ANSWERING CUSTOMER QUESTIONS

“ So will my meal get cheaper if VAT comes down? ”

This is the most common misconception. It's important to be clear that this isn't really about cutting your bill; it's about keeping the doors open, people in work, and communities thriving.

The saving goes into survival and hiring, which has hugely positive economic impact on people and places.

But this *would* mean that prices may not have to keep rising to cover costs.

“ Why should I care about a tax break for restaurants? ”

Because it's the cheapest way going to tackle youth unemployment, which costs the country around £125 billion a year.

Hospitality is the country's biggest open-access employer of young people: around half of all bar, waiting and café staff are 16 to 24, taken on with no CV, no qualifications and no experience necessary.

The industry needs people, and people need the industry for their first step into employment. When the doors close, those first jobs don't move elsewhere. They vanish.

“ Tax cuts for hospitality whilst the NHS and schools struggle? ”

A tax break for hospitality is the lowest-cost youth-employment scheme there is.

The state spends £25 keeping a young person on benefits for every £1 getting them into work, so keeping these jobs is what saves public money, not what drains it.

“ Just put your prices up then ”

The same rising costs hitting us – energy, food, the cost of living – are hitting our guests too.

Customers can't stomach more price hikes. A VAT cut is the one fix that eases the pressure without landing on you.

“ Why does hospitality deserve special treatment? ”

Because no other sector does this job.

Nowhere else gives this many open-access first jobs, in every town and village in the country. The special role is the reason for the special treatment, and at 10% we'd be matching what France and Italy already do.

“ Isn't this just the big chains lining their pockets? ”

The businesses going under aren't McDonald's or Wetherspoons.

They're the independents who can't absorb cost rises the way a chain can, and won't replace their staff with screens.