

Consultation stage impact assessment

Title: Restricting the display of vaping, nicotine products and tobacco related devices and products

Type of measure: Secondary Legislation

Stage: Consultation

Source of intervention: Domestic

Department or agency: Department of Health and Social Care

Other departments or agencies: N/A

RPC reference number: RPC-DHSC-25092-OA(1)

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Date: July 2026

Summary: Intervention and Options

Summary of impact assessment

This impact assessment (IA) considers options on restricting the point-of-sale display, including the display of prices, of tobacco products, tobacco related devices, herbal smoking products, cigarette papers, vaping products, and nicotine products.

It should be noted that due to evidence limitations, a significant proportion of the benefits of the policy are not quantified or monetised in this analysis. Additionally, where products in scope are novel, this creates further challenges and uncertainties in assessing the potential scale of the benefits. For example, the long-term health harms of vaping products are still unknown.

As a result, we have not presented a Net Present Social Value (NPSV) as we do not think it would provide a fair reflection of the overall net impact on society from this policy.

This IA was completed in October 2025. Therefore, the data and evidence used in the IA reflects the best available at the time of completion.

Following this consultation, we will update the IA as appropriate, including in consideration of information we gather through responses and any new data and evidence made available since the IA was published.

What is the problem under consideration? Why is government action or intervention necessary?

Evidence suggests that, in the short to medium term, vaping is less harmful than smoking. However, while less harmful than smoking, vaping is not risk-free and data on longer-term health harms is still emerging. Because of this, children and adult non-smokers should never vape. However, the prevalence of vaping and nicotine use amongst young people has risen substantially in recent years and in 2025, 1 in 5 children aged 11- to 17 had ever tried vaping.

Display is a prime strategy used not just for tobacco and nicotine products but a wide range of consumer goods to reinforce acceptability, promote accessibility, and facilitate purchases of a pre-planned and unplanned nature. Research demonstrates that displays of tobacco and nicotine products are particularly appealing to children and young people.

Restricting the display of tobacco products, regulations that came into force between 2012 and 2015, was highly effective in reducing public health burden. The continuation of the display of cigarette papers and tobacco related devices has resulted in an avenue whereby tobacco use can continue to be promoted to new and existing customers. The current exemption for bulk tobacconists provides an opportunity for tobacco products to be continued to be displayed to the public, including children and young people as they are by definition not age-restricted premises. This undermines the goal of the Government to make the UK smokefree.

Despite some voluntary restrictions by larger retailers to move display units to behind sales counters, vape and nicotine products remain prominently on display across the UK. This is particularly prevalent amongst smaller retailers, where young people report making purchases. Self-regulation has proven ineffective, with little incentive for retailers to change, even amid negative publicity and public concern.

There is strong stakeholder and public support for prohibiting the display of tobacco products currently out of scope, as well as to vaping and nicotine products.

What are the policy objectives of the action or intervention and the intended effects?

The UK Government, as well as the devolved governments in Scotland, Wales and Northern Ireland are committed to our ambition for a smoke-free UK and tackling the rise in youth vaping. The aims to reduce youth vaping needs to be balanced against the objective to support adult smokers to quit, in which evidence shows vaping can play a role.

The specific policy objectives for introducing display regulations for the products in scope are:

- **Objective 1:** To further reduce tobacco consumption in any form by maintaining current restrictions on tobacco product display and removing the promotion of tobacco related products and herbal smoking products via display, as a means of reducing tobacco uptake among young people and supporting adult smokers who want to quit tobacco.
- **Objective 2:** To reduce youth vaping and prevent future generations from nicotine addiction and wider risk of harm from vaping and nicotine products by reducing the visibility of these products and therefore the appeal and attractiveness to children and young people.
- **Objective 3:** To continue to maintain the availability of vapes as a smoking cessation aid to help adult smokers quit smoking and avoid unintended consequences on smoking rates.

A key indicator of success will be whether uptake of these products, and prevalence amongst young people, decreases.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

- **Option 1 ('Business as Usual'):** Current legislation for tobacco products would still apply.
- **Option 2:** Display regulations to prohibit the display of cigarette papers and tobacco related products (such as heated tobacco devices). Vaping products and nicotine products can be displayed, but only accessible on request. Exemptions to display products in scope in the course of business would apply.
- **Option 3:** Display regulations to prohibit the display of cigarette papers, tobacco related products (such as heated tobacco devices), vaping products and nicotine products. Some exemptions for vaping products (including the exploration of a limited exemption for pharmacies) would apply, and exemptions to display products in scope of the course of business would apply.
- **Option 4 (preferred option):** Display regulations to prohibit the display of cigarette papers, tobacco related products (such as heated tobacco devices), vaping products and nicotine products. Some exemptions for vaping products (including the exploration of a limited exemption for pharmacies) would apply, and exemptions to display these products in the course of business would apply on the condition this happens from behind a sales counter.

These options are assessed against the objectives and the critical success factors to determine which option would be the preferred choice. The preferred option will reduce the visibility, youth appeal and promotion of these products, as well as ensure consistency in this area for businesses.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: TBC				
Is this measure likely to impact on international trade and investment?		Yes		
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister  Date: 18/06/2026

Summary: Analysis & Evidence

Policy Option 1

Full economic assessment'

Description key costs by 'main affected groups'		
The costs of this option are zero, as this is the option that costs of all other options are compared against.		
Key benefits by 'main affected groups'		
The benefits of this option are zero, as this is the option that benefits of all other options are compared against.		
Distributional impacts		
N/A		
Key assumptions/sensitivities/risks	Discount rate	3.5%
<ul style="list-style-type: none"> Current legislation will remain in place tobacco and there would continue to be no legislation restricting the display vaping, nicotine products and tobacco related devices and products. Heated tobacco prevalence remains constant as a proportion of the population legally able to purchase tobacco products. Vape and nicotine pouch prevalence remains constant as a proportion of the population but as the population increases this mean the estimated number of vapers also increases. 		

Summary: Analysis & Evidence

Policy Option 2

Full economic assessment'

Description key costs by 'main affected groups'		
The monetised costs are: <ul style="list-style-type: none"> Familiarisation costs (£2.2m) Storage costs (£27.6m) Restocking costs (£185.1m) Price list costs (£2.4m) Transaction costs (£45.4m) Lost profits (£10.7m) The non-monetised costs identified are: <ul style="list-style-type: none"> Health impacts for those using vapes or other nicotine products as a quit aid Reduction in tobacco and vaping product duty Reduction in VAT 		
Key benefits by 'main affected groups'		
The non-monetised benefits identified are: <ul style="list-style-type: none"> Health benefits to individuals Reduced health and social care costs Reduced litter and associated costs Reduced fire costs Consumer surplus 		
Distributional impacts		
Whilst we know smoking prevalence varies by several characteristics including socioeconomic background, house tenure and age, we have limited evidence to be able to analyse this for tobacco related devices, vaping and nicotine product use.		
Key assumptions/sensitivities/risks	Discount rate	3.5%

The key risks identified are:

- Interactions with other policies. This has not been quantified due to lack of evidence.
- Uncertainty in forecasts of vape and heated tobacco prevalence. This has been tested in sensitivity analysis.

Summary: Analysis & Evidence

Policy Options 3 and 4

Full economic assessment'

Description key costs by 'main affected groups'

The monetised costs are:

- Familiarisation costs (£2.2m)
- Storage costs (£27.6m)
- Restocking costs (£185.1m)
- Price list costs (£22.6m)
- Transaction costs (£43.1m)
- Lost profits (£536.8m)

The non-monetised costs identified are:

- Health impacts for those using vapes or other nicotine products as a quit aid
- Reduction in tobacco and vaping product duty
- Reduction in VAT

Costs in Option 4 are expected to be at least as much as Option 3.

Key benefits by 'main affected groups'

The non-monetised benefits identified are:

- Health benefits to individuals
- Reduced health and social care costs
- Reduced litter and associated costs
- Reduced fire costs
- Consumer surplus

Benefits in Option 4 are expected to be at least as much as Option 3

Distributional impacts

Whilst we know smoking prevalence varies by several characteristics including socioeconomic background, house tenure and age, we have limited evidence to be able to analyse this for tobacco related devices, vaping and nicotine product use.

Key assumptions/sensitivities/risks

Discount rate

3.5%

The key risks identified are:

- Interactions with other policies. This has not been quantified due to lack of evidence.
- Uncertainty in forecasts of vape and heated tobacco prevalence. This has been tested in sensitivity analysis.

Evidence Base

Problem under consideration and rationale for intervention

Context

1. Tobacco is a uniquely harmful product. Smoking remains the leading cause of preventable death, illness and disability in the UK¹. It causes around 80,000 deaths each year and is responsible for about one in four cancer deaths in England². In 2023, around 6 million people in the UK were still smoking³. This includes 11.6% of adults in England. Most smokers want to quit. In 2023, 56% of smokers intended to quit, and 24% of smokers intended to quit within the next three months³. Smoking causes harm throughout people's lives, not only for the smoker but for those around them – there is no safe level of exposure.
2. In England, someone is admitted to hospital due to smoking almost every minute. Up to 75,000 GP appointments each month are linked to smoking – equivalent to over 100 appointments every hour⁴. The estimated cost of smoking to the UK is £21.3 billion each year, including £3 billion in direct costs to the NHS and social care⁵.
3. All tobacco products are harmful, being classified as type one carcinogens, and there is no safe level of tobacco consumption. Tobacco related products are products that can be used to facilitate tobacco consumption. These include cigarette papers, bongs, pipes, shisha/water pipes, and heated and other tobacco devices. The bleaches and dyes in cigarette papers adds to the volume of smoke and the range of toxicants in the smoke, contributing additional risks to smokers. Herbal smoking products are products consisting wholly or partly of herbs and other vegetable matter and intended to be smoked. The smoke of these products contains cancer causing chemicals, tar and carbon monoxide, similar to a tobacco cigarette. Laboratory studies show evidence of toxicity from heated tobacco, and, like other forms of tobacco, the aerosol generated by heated tobacco devices contains carcinogens which are significantly harmful to health^{6,7}.
4. Whilst prevalence of the use of non-cigarette tobacco products and devices such as heated tobacco, bongs and shisha is estimated to be low, it is increasing. There are approximately five times more people smoking non-cigarette tobacco in England now than there was a decade ago, with the greatest increase amongst young adults⁸.
5. Vapes (also known as e-cigarettes) are handheld devices that heat substances to create vapours that are inhaled by the user. They are mostly used to deliver nicotine, though some products contain no nicotine at all (non-nicotine vapes). However, nicotine can be added manually to non-nicotine products and some non-nicotine products have been found to contain nicotine. Separately, there are other novel non-medicinal nicotine products that enable nicotine to be delivered into the human body. Examples include nicotine pouches, nicotine gum, nicotine strips and nicotine pearls.

¹ IHME. 2021. Global Burdens of Disease.

² Cancer Research UK. 2023. Tobacco kills one person every five minutes.

³ ONS. 2024. Adult smoking habits in the UK - Office for National Statistics.

⁴ Cancer Research UK. 2023. Ending smoking could free up 75,000 GP appointments each month.

⁵ Action on Smoking and Health. 2025. New figures show cost of smoking to society in England dwarfs tobacco tax revenue - ASH.

⁶ Ghazi and others. 2022. A scoping review of the toxicity and health impact of IQOS - PMC (nih.gov)

⁷ Committee on Toxicity. 2017. Statement on the toxicological evaluation of novel heat not-burn tobacco products.

⁸ Jackson and others. 2024. Trends in Exclusive Non-Cigarette Tobacco Smoking in England: A Population Survey 2013–2023.

From a regulatory perspective, these are different to medicinal nicotine replacement therapies (NRTs), such as licensed nicotine pouches or nasal spray, which are licensed medicines to aid smoking cessation. Medicinally licensed NRTs are licensed and regulated by the Medicines and Healthcare products Regulatory Agency (MHRA) and are not in scope of the measures within the Tobacco and Vapes Act.

6. Evidence suggests that, in the short to medium term, vaping is less harmful than smoking. This is because vapes do not contain tobacco or carbon monoxide and thus expose users to far fewer toxins and at lower levels than cigarettes⁹. There is also good evidence that vaping can be an effective quit aid for adult smokers when combined with behavioural support. According to a Cochrane systematic review, smokers using vapes had increased quit rates in comparison to those using nicotine replacement therapy (NRT)¹⁰ and in a UK randomised controlled trial, smokers using vapes to quit tobacco were almost twice as likely to be smokefree after 12 months, compared to those using NRT, at a fraction of the cost¹¹. In the most recent NHS England data, around 20% of clients who used a vape within local authority Stop Smoking Services achieved the highest quit success rates of any group (63%)¹². Data from Action on Smoking and Health (ASH) supports the important role that vapes can play in smoking cessation, with more than half of ex-smokers in Great Britain who quit in the last five years saying they used a vape in their last quit attempt, which amounts to 2.7 million ex-smokers¹³.
7. However, while less harmful than smoking, vaping is not risk-free and data on longer-term health harms is still emerging¹⁴. It is for this reason that the Government's advice on vaping is clear: if you smoke, you should switch to vaping. But if you don't smoke, don't vape, and children should never vape.
8. One of the health risks of nicotine-containing vapes is posed by their nicotine content. Nicotine is a highly addictive drug¹⁵. Withdrawal symptoms include cravings, irritability, anxiety, trouble concentrating and other mental and physical symptoms¹⁶.
9. As outlined in the OHID 2022 evidence review¹⁷ there is substantial evidence that using vaping products can result in symptoms of nicotine dependency. Whilst the review found that robust evidence regarding the effects of nicotine on human health aside from dependency is currently limited, it did conclude an association between increased blood pressure and nicotine vaping.
10. There are also some health risks associated with the other ingredients in vapes. For example, propylene glycol and glycerine (components of e-liquids) can produce toxic compounds if they are overheated¹⁸. There is emerging evidence that suggests vaping is associated with a higher risk of developing respiratory illness¹⁹, gastrointestinal disorders²⁰, and could present dangers from metals in the devices²¹.

⁹ Public Health England. 2015. E-cigarettes: an evidence update. A report commissioned by Public Health England; Royal College of Physicians (RCP). 2024. E-cigarettes and harm reduction: An evidence review |

¹⁰ Lindson and others. 2025. Electronic cigarettes for smoking cessation

¹¹ Hajek and others. 2019. A Randomized Trial of E-Cigarettes versus Nicotine-Replacement Therapy

¹² NCSCT. 2023. Incorporating nicotine vaping products (e-cigarettes) into Stop Smoking Services: Making the case and addressing concerns.

¹³ Action on Smoking and Health. 2024. Use of vapes (e-cigarettes) among adults in Great Britain

¹⁴ Scottish Government. 2024. Vaping- Health harms: evidence briefing.

¹⁵ NHS. Vaping myths and the facts - Better Health - NHS (accessed October 2025)

¹⁶ NHS. Managing nicotine withdrawal symptoms - Better Health - NHS (accessed October 2025)

¹⁷ OHID. 2022. Nicotine vaping in England: 2022 evidence update.

¹⁸ Komura M and others. 2022. Propylene glycol, a component of electronic cigarette liquid, damages epithelial cells in human small airways.

¹⁹ Zavala-Arciniega and others. 2024. Longitudinal associations between exclusive, dual and polytobacco use and respiratory illness among youth.

²⁰ Wal and others. 2023. An Updated Review of Nicotine in Gastrointestinal Diseases

²¹ Salazar and others. 2025. Elevated Toxic Element Emissions from Popular Disposable E-Cigarettes: Sources, Life Cycle, and Health Risks

11. A recently conducted umbrella review investigating the short and long-term health effects of vaping on young people reported consistent associations between vaping and alcohol intake, asthma and other respiratory outcomes, and mental health outcomes²². It also found significant associations between vaping and lower total sperm counts in young men, dizziness, headaches, migraines and oral health harms, but this evidence largely derived from limited surveys or case series/reports.
12. Despite these potential health harms and the clear advice that children should not vape, vaping amongst young people has become an issue of concern within the UK. Data gathered by NHS England shows that 25% of 11–15-year-olds had tried vaping in 2023, and that the proportion of young people vaping more than doubled between 2018 and 2023²³. ASH UK data for Great Britain shows a similar picture, although rates are beginning to flatline in 2024 and 2025²⁴. According to ASH, 66% of current youth vapers in Great Britain in 2025 reported using a vape containing different levels of nicotine, with only 4% reporting that they use non-nicotine products. In Northern Ireland, one-fifth (21%) of young people reported ever having used an e-cigarette in 2022, a small increase from 2016 (19%)²⁵. The proportion indicating that they regularly used e-cigarettes showed an increase from 3% in 2016 to 6% in 2022 (regular use is defined as at least once a week).
13. There is less research available on the use and potential health harms of nicotine products, such as nicotine pouches, due to their novel nature. While they are likely to be less harmful than smoking due to the absence of tobacco, non-medicinal nicotine products can deliver very high doses of nicotine and thus share the potential nicotine-related health harms outlined above. There is also the potential of harm to oral health²⁶. In contrast to vapes, there is currently limited evidence to indicate whether these novel products can support with smoking cessation²⁷.
14. There is less data on the usage of non-medicinal nicotine products. However, evidence does show that nicotine pouches, introduced in the UK in 2019, have recently increased in popularity, particularly among men and younger adults²⁸. The Smoking Toolkit Study, a monthly nationally representative cross-sectional survey, indicates that nicotine pouch usage has risen sharply among young people (16–25-year-olds) in Great Britain, quadrupling since 2022²⁹. According to the latest YouGov data commissioned by ASH, the awareness of nicotine pouches has also grown amongst children aged under eighteen from 38% to 43% between 2024 and 2025, with nearly 4% of teens (equivalent to around 210,000 children) reporting having tried nicotine pouches³⁰. There also appears to be a gender divide, with men under 40-years-old three times more likely to use nicotine pouches than women of the same group (3.5% vs. 1.2%).
15. Given the potential health risks and the challenges around tobacco and the growing youth usage of vapes, the World Health Organisation has called on governments globally to strengthen their regulatory measures to reduce tobacco usage and to reduce the risk of nicotine addiction.

²² Golder and others. 2025. [Vaping and harm in young people: umbrella review | Tobacco Control](#)

²³ NHS Digital. 2024. [Smoking, Drinking and Drug Use among Young People in England, 2023 - NHS England Digital](#)

²⁴ ASH. 2025. [Use of Vapes Among Young People in Great Britain 2025](#)

²⁵ Department of Health. 2022. [Young Persons Behaviour & Attitudes Survey 2022](#)

²⁶ Rungraungrayabkul and others. 2024. [What is the impact of nicotine pouches on oral health: a systematic review](#)

²⁷ Jackson and others. 2024. [Moderation of the real-world effectiveness of smoking cessation aids by mental health conditions: A population study | PLOS Mental Health](#)

²⁸ Moodie and others. 2024. [Chasing a buzz: developments in the nicotine pouch market in the UK](#)

²⁹ Tattan-Birch and others. Preprint. [Rising oral nicotine pouch use in Great Britain: a representative study 2020-2025](#)

³⁰ ASH. 2025. [ASH calls for swift legislation on nicotine pouches as new data shows surge in youth awareness](#)

16. In response to these challenges, on 4 October 2023 the Department of Health and Social Care published a Command Paper followed by a UK-wide consultation on 12 October 2023 entitled 'Creating a smokefree generation and tackling youth vaping'³¹. This was a four-nation consultation and the Government's response was published on 29 January 2024³². This led to the introduction of the second Tobacco and Vapes Bill, now Act, to Parliament, announced in the King's Speech on 16 July 2024. The Act includes powers to regulate tobacco and vapes, and aims to address both the issue of adult smoking and that of youth vaping. The Act received Royal Assent on the 29th of April 2026³³.
17. The Government's aim to reduce the appeal of tobacco, vaping and nicotine products via restricting their display sits alongside several other measures we propose to introduce using powers within the Tobacco and Vapes Act. The upcoming consultation will address these areas collectively and, therefore, there are other IAs covering:
- introducing new restrictions on the packaging of all vapes and nicotine products, including limits on flavour descriptions.
 - introducing new restrictions on the packaging of all tobacco products (excluding cigarettes and hand rolling tobacco), cigarette papers, herbal smoking products, tobacco related devices; and
 - introducing new restrictions on the design of vapes and heated tobacco devices.
18. The Act also bans all non-nicotine vapes and nicotine products from being sold to under 18s, which is already in place for nicotine vapes. Additionally, bans the advertising, promotion and sponsorship of vapes and nicotine products, mirroring restrictions on tobacco, as well as end the sale of these products from vending machines.

Current legislative requirements

19. The following regulations contain provisions relating to the display of tobacco products:
- Sections 7A and 7B of the Tobacco Advertising and Promotion Act 2002
 - The Tobacco Advertising and Promotion (Display) (England) Regulations 2010
 - The Tobacco Advertising and Promotion (Display of Prices) (England) Regulations 2010
 - The Tobacco Advertising and Promotion (Specialist Tobacconists) (England) Regulations 2010
 - The Tobacco Advertising and Promotion (Display and Specialist Tobacconists) (England) (Amendment) regulations 2012
20. Sections 7A and 7B, together with the Tobacco Advertising and Promotion (Display) (England) Regulations 2010, make provisions for the prohibition of tobacco product displays. This includes exclusions that enable retailers to display the products

³¹ DHSC. 2023. Stopping the start: our new plan to create a smokefree generation.

³² DHSC. 2024. Creating a smokefree generation and tackling youth vaping consultation: government response.

³³ Tobacco and Vapes Act 2026

temporarily when an individual aged 18 or over makes a request to purchase or for information about the product, and provide for incidental displays to other customers, for example, as a result of restocking, as long as certain conditions are met. They also permit bulk-tobacconists, such as duty-free shops in airports, to display tobacco products in a part of the shop containing only tobacco products and smoking accessories, provided the display is not visible from outside that area.

21. The Tobacco Advertising and Promotion (Display of Prices) (England) Regulations 2010³⁴ places restrictions on those retailers which are not exempt, on the display of prices of tobacco products. A display of prices can only include the brand name and price of the product, the number of units in the pack or the net weight of the product, and for cigars it can also include the country of origin, and dimensions, or for pipe tobacco can include the cut and type of tobacco used. It can only be printed in black Helvetica plain type, of a consistent size throughout, on a white background, and in lower case except for the first letter of a word. The prices may only be displayed in one or more of the following ways:
- By way of one price list on display for each separate area where tobacco products are located and can be paid for, and which:
 - is titled “Tobacco products price list”;
 - can include sub-headings for “cigarettes”, “hand rolling tobacco”, “cigars”, “pipe tobaccos”, and “other tobacco products” but does not include prices for any other products;
 - uses characters no higher than 7 millimetres;
 - has no border or frame; and
 - is no larger than 1250 square centimetres in size.
 - In the form of one price list for each separate area where tobacco products are both located and can be paid for, or one list for each till in those areas, and which:
 - is only made available on request to individuals aged 18 or over (having first taken reasonable steps to ensure this); and lasts for no longer than is necessary for the individual to obtain the information sought;
 - uses characters no higher than 4 millimetres; and
 - contains only one other feature which can be a picture no larger than 50 square centimetres of the actual product, as packaged for sale.
 - In the form of a label on a storage unit where that particular product is kept pending sale and which:
 - is no larger than 9 square centimetres in size and contains characters no higher than 4 millimetres
22. The Tobacco Advertising and Promotion (Specialist Tobacconists) (England) Regulations 2010, permit specialist tobacconists to display tobacco products inside their shops, provided they are not visible from the outside.

³⁴ The Tobacco Advertising and Promotion (Display of Prices) (England) Regulations 2010

23. The Tobacco Advertising and Promotion (Display and Specialist Tobacconists) (England) (Amendment) Regulations 2012 amended the maximum visible display to 1.5 square meters and expanded on the regulation 6 exclusion that permitted display during restocking to include other activities under the course of business.
24. Collectively, these regulations have meant that tobacco products, unless sold by a specialist or bulk tobacconist, are only displayed, and therefore accessible, to the public via requests made to staff members. In practice, this has led to products within scope being stored in closed units behind the sales counter or being stored completely out of sight in all premises in scope of this legislation.
25. There is currently no legislation restricting the display of tobacco related devices, herbal smoking products, cigarette papers, vaping products and nicotine products. Retailers, therefore, are currently permitted to display these products in any location within a shop.

Rationale for intervention

Evidence to support the need for intervention

26. The existing tobacco display regulations, introduced via a phased implementation between 2012 and 2015, have been effective in reducing the visibility and appeal of these products³⁵, and in conjunction with other tobacco control measures were imperative in reducing smoking prevalence. It is estimated that display regulations resulted in a reduction of 37,000 smokers in the UK, equating to health benefits of approximately £2.8bn³⁶. The likelihood of noticing cigarettes decreased from 81% in 2018 to 66% in 2022 for small shops and from 67% to 59% in supermarkets³⁷. This also coincided with a decrease in buying cigarettes in shops. Indeed, for regular child smokers, the tobacco display ban in England is associated with a reduction in the number of these children reporting that they bought cigarettes in shops (39.8% in 2016 versus 57.0% in 2010)³⁸. This was supported by evidence showing a reduction in smoking susceptibility linked to decreases in brand awareness³⁹. Peer reviewed and commissioned studies have found consistent evidence of a reduction in the prevalence of smoking related tobacco display bans^{40 41}, and a range of international evidence also supports the positive effects of display bans, estimating they were accountable for a reduction on smoking prevalence of between 7% and 9%⁴².
27. Whilst some countries have introduced display restrictions on vaping and nicotine products, these regulations are yet to be evaluated. Similarly, although some countries have display restrictions on the tobacco products within scope, in most cases these restrictions were a part of original legislation with only a few Australian states expanding their legislation to close this loophole. As such, there is no available evaluation. We will need to consider carefully the impact of display restrictions on adult smokers using vapes to quit smoking. Early evidence on restricting the display of vapes suggests that among smokers and vapers, adults are less likely to report feeling like 'vapes are not meant for someone like me' as a result than children and young people are⁴³. Given the limited evidence, we have commissioned research via the National Institute for Health and Care Research to better understand the potential impact of our proposed regulatory approach. This will be conducted via a discrete choice experiment.

Stakeholder support

28. There is strong stakeholder and public support for prohibiting the display of tobacco products currently out of scope, as well as to vaping and nicotine products.
29. In the Youth Vaping Call for Evidence (2023), the display of vapes in shops was a key theme, with a range of images submitted showcasing appealing displays in shop windows, at the counter, in high footfall areas like the end of aisles, and next to

³⁵ Ford and others. 2019. Impact of a ban on the open display of tobacco products in retail outlets on never smoking youth in the UK: findings from a repeat cross-sectional survey before, during and after implementation.

³⁶ Kuipers and others. 2016. Impact on smoking of England's 2012 partial tobacco point of sale display ban: a repeated cross-sectional national study.

³⁷ Parnham and others. 2023. Changing awareness and sources of tobacco and e-cigarettes among children and adolescents in Great Britain.

³⁸ Lavery and others. 2018. Child awareness of and access to cigarettes: impacts of the point-of-sale display ban in England.

³⁹ Ford and others. 2019. Impact of a ban on the open display of tobacco products in retail outlets on never smoking youth in the UK: findings from a repeat cross-sectional survey before, during and after implementation.

⁴⁰ Haw and others. 2020. The impact of the point of sale tobacco display ban on young people in Scotland: before and after study.

⁴¹ Lavery and others. 2018. Child awareness of and access to cigarettes: impacts of the point-of-sale display ban in England.

⁴² He and others. 2017. Global evidence on the effect of point-of-sale display bans on smoking prevalence.

⁴³ Cancer Research UK. 2025. Exploring the accessibility of vapes to young people and adults across the UK.

child-friendly items like confectionary and toys⁴⁴. Respondents cited display restrictions as a way in which to make vapes less desirable to young people.

30. In October 2023, the Government launched a consultation on Creating a Smokefree Generation, which also demonstrated strong support for regulatory action on display. 63.8% of respondents agreed that our existing display restrictions should be expanded to include all tobacco products and devices, cigarette papers and herbal smoking products⁴⁵. 68.3% of respondents also agreed that vapes must be kept behind the counter and cannot be on display⁴⁶, and there was support for regulating non-nicotine vapes and nicotine products under similar regulatory frameworks as nicotine vapes, with 59.6% and 52.9% of respondents agreeing with approach respectively⁴⁷. Additionally, a 2023 YouGov poll commissioned by ASH found that 74% of adults in England support prohibiting point of sale promotion of vapes⁴⁸.
31. Several key stakeholders have called for stronger requirements on the display of tobacco, vaping and nicotine products. The Local Government Association (LGA) has campaigned on the issue of the display of vaping and nicotine products, specifically calling on these to be kept out of sight and behind a counter⁴⁹. This is supported, amongst others, by the British Paediatric Respiratory Society⁵⁰, the Association of Directors of Public Health⁵¹, Asthma and Lung UK⁵², and the British Medical Association⁵³. The Royal College of Physicians has recommended that existing tobacco restrictions be extended to tobacco related products such as cigarette papers⁵⁴.

International context

32. The World Health Organisation (WHO) Framework Convention on Tobacco Control (FCTC) is an international strategy for tobacco control and Article 13 of the FCTC outlines measures to restrict or ban tobacco advertising, promotion and sponsorship, and this includes display at retail locations⁵⁵. The FCTC recommends that the display and visibility of tobacco products at points of sale constitutes advertising and promotion and should therefore be banned.
33. Internationally, some countries already include tobacco related products such as cigarette papers in their display regulations. For example, Ontario in Canada and Victoria, South Australia, Western Australia and Tasmania in Australia, Iceland and Finland. In New Zealand, tobacco related products such as cigarette papers are banned from display if they are sold in conjunction with tobacco.
34. Countries have taken varied approaches to regulating vapes and nicotine products; while some, like India and Brazil, have banned them outright, others have introduced regulations to reduce their use and appeal. Many countries have taken action to strengthen regulations regarding the display of vaping products. This includes Canada, New Zealand, Australia, Finland, Denmark, the Netherlands, Iceland, Norway, Estonia and Slovenia. All of these countries prohibit the visual display of

⁴⁴ DHSC. 2023. [Youth vaping call for evidence analysis](#).

⁴⁵ DHSC. 2024. [Creating a smokefree generation and tackling youth vaping consultation: government response](#).

⁴⁶ DHSC. 2024. [Creating a smokefree generation and tackling youth vaping consultation: government response](#).

⁴⁷ DHSC. 2024. [Creating a smokefree generation and tackling youth vaping consultation: government response](#).

⁴⁸ Action on Smoking and Health. 2023. [Public support for Government action on tobacco in Great Britain](#).

⁴⁹ LGA. 2023. [Turning the tide on tobacco](#)

⁵⁰ [Written Evidence Submitted by the British Paediatric Respiratory Society \(BPRS\) to the Tobacco and Vapes Bill Evidence Committee](#)

⁵¹ ADPH. [Written evidence response: Tobacco and Vapes Bill](#)

⁵² Asthma and Lung UK. [Written evidence to the Tobacco and Vapes Bill Evidence Committee](#)

⁵³ BMA. [Written evidence to the Tobacco and Vapes Bill Evidence Committee](#)

⁵⁴ RCP. [Smoking and Health 2021: A coming of age for tobacco control?](#)

⁵⁵ WHO. [WHO Framework Convention on Tobacco Control. Guidelines for implementation article 13](#)

vaping products within stores, with some (for example New Zealand and Denmark) extending this also to online retailers. Denmark, Finland, Iceland, Norway, Estonia and the Netherlands provide some form of exemption to specialist retailers, although the definitions and requirements for these specialist retailers vary by nation.

35. There has been less action internationally to date to restrict the display of nicotine products. Canada, Finland, Denmark⁵⁶, Estonia and Iceland extended their display restrictions (and any relevant exemptions) for vaping products to nicotine products. New Zealand does not have any current display restrictions for nicotine products but is reviewing this position.

Why is Government intervention required?

36. Voluntary action by businesses is not sufficient to address the issue of tobacco, vaping and nicotine product display within shops. There is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health policy interests, and voluntary action would conflict with the clear guidance of WHO on how governments should approach tobacco policy. There are a number of measures and powers in the Tobacco and Vapes Act focusing on the ability of the industry to advertise and promote harmful products, however further action is needed to help the consumer make informed choices in all settings.
37. For vaping and nicotine products, some voluntary action has been taken, particularly by larger retailers where vaping and nicotine products are displayed behind a sales counter. However, this is not indicative of the retail sector as a whole, where vape displays are still commonly strategically positioned to attract uninformed purchases. This is particularly prevalent amongst smaller retailers, where we know children and young people are most likely to be purchasing vaping and nicotine products. There is also little commercial incentive for some vape retailers to limit the display of their products, since this helps to give them a competitive advantage in the market. This failure of self-regulation has occurred despite overwhelming negative media coverage of youth vaping and high-profile concerns from public bodies. There is therefore no reason to assume guidance would have any impact on any area of vape regulation, including display.
38. The UK's Public Health Responsibility Deal (2011–2015) demonstrates the limitations of relying on voluntary action to protect public health. While companies signed pledges to reformulate products, provide calorie information, and reduce harmful ingredients, many commitments were superficial, inconsistently applied, or designed to avoid meaningful change. There was no enforcement mechanism to hold businesses accountable. This failure illustrates that commercial interests often conflict with public health goals, as profit-driven industries have little incentive to make changes that might reduce sales⁵⁷.
39. Communication campaigns can also have some effect. In February 2025, DHSC launched a nation-wide campaign to reduce the appeal of vaping amongst children and young people.⁵⁸ However, whilst public health campaigns can raise awareness of the health harms of these products and inform consumers; this alone is not sufficient to change behaviour. The new RSHE curriculum mandates education on

⁵⁶ A review of Denmark's measures are currently being reviewed, Klitgaard and others. 2022. [Evaluating the Effects of Denmark's New Tobacco Control Act on Young People's Use of Nicotine Products: A Study Protocol of the \\$SMOKE Study](#).

⁵⁷ Durand and others. 2015. [An evaluation of the Public Health Responsibility Deal](#).

⁵⁸ Department of Health and Social Care. 2025. [10-year study to shed light on youth vaping](#).

the risk of vaping and nicotine⁵⁹. Whilst this will have some effect, we have heard from young people themselves that, despite viewing vapes as being as harmful to health as smoking⁶⁰, vapes are perceived as glamorous⁶¹ and many are peer pressured in to vaping. This would suggest that perception of health harms is not a sufficient deterrent for young people to start vaping, so reliance solely on educational campaigns would be ineffective. Indeed, communications campaigns should be used in tandem with other forms of action to help ensure successful implementation.

40. Further government action is required to deliver the government's ambition for a smoke-free UK and as set out in its manifesto and health mission⁶², the government seeks to ban vaping and nicotine products from being deliberately branded to appeal to children. This is a key part of stopping the next generation from becoming addicted to nicotine.
41. Regulatory action is needed to deliver this ambition. This will ensure consistency across tobacco, vaping and nicotine products, like in several other countries, and ensure that the approach to shop displays aligns with the public health messaging on both smoking and vaping. This is consistent with the evidence and the success of tobacco display restrictions to date demonstrates that regulation can be proportionate, enforceable and an effective way to achieve public health outcomes.

Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

42. The evidence base for the influence and impact of the display of vaping and other nicotine products on prevalence and consumption is limited compared to tobacco where current regulations are in place, and there have been evaluations of these regulations, as well as there being international evidence to compare to. For this reason, where it is not possible to use evidence specifically related to vapes, data and evidence for tobacco is used as a proxy.
43. Heated tobacco products are currently not as popular as vapes, so the evidence base is even more limited in comparison to both vapes and tobacco products. Where it is not possible to use evidence for heated tobacco products, the assumptions made for the tobacco market have been used as a proxy, and any potential differences have been noted.
44. For other even more niche products such as pipes, or where data is not available (such as accessories), no attempt at estimating the impacts have been made. We will aim to collect additional data for Final Stage IA through consultation and further research.
45. Due to the limited evidence base, we have had to make assumptions in our analysis to provide monetised cost estimates. Where assumptions have been made, they are clearly outlined in the IA and where they have been identified as key assumptions, they have been tested in sensitivity analysis.
46. Given the limited evidence base in some areas, we have not been able to identify all differences in impacts between different short-listed options. It has been clearly outlined where impacts between different options differ.

⁵⁹ Department for Education. 2025. [Relationships and sex education \(RSE\) and health education](#).

⁶⁰ ASH. [Use of vapes \(e-cigarettes\) among young people in Great Britain - ASH](#)

⁶¹ OHID. 2023. [Youth vaping call for evidence analysis](#).

⁶² Labour. [My plan for change – The Labour Party](#)

47. Several of the assumptions have not been tested with industry at this stage. The UK Government is committed to upholding Article 5(3) of the FCTC which requires FCTC members to protect public health policy from the vested interests of the tobacco industry. Whilst some vaping organisations have taken steps to remove Tobacco Industry influence this is not the case across the industry as a whole and it can be difficult to verify where stakeholders are free from Tobacco Industry influence unless this is stated and proven outright. This is particularly the case with industry partners involved in the production and sale of more novel products. Due to this consideration, wide engagement outside of an open government consultation can be difficult. To test the assumptions, we have provided thorough quality assurance and sensitivity analysis to provide a robustness check and show their influence on the quantified costs and benefits.
48. We will aim to collect additional data for Final Stage IA through consultation and further research.
49. The appraisal period used in this IA is 10 years. We have used the default time horizon as suggested by HMT Green Book⁶³ as we do not think there is rationale for extending the appraisal period as the long-term impacts of products in scope are unknown. In addition, some estimates are based on projected consumption. Forecasting these figures beyond a 10-year appraisal period would likely decrease the robustness of the estimates. We expect the majority of the non-monetised benefits to arise within the appraisal period, however we are uncertain on when the health gains to individuals may arise and therefore, they could also arise outside of the appraisal period.
50. We have assumed the appraisal period for this policy will be from 2027 to 2036. This is illustrative and assumes the policy will be implemented in 2027. In practice this may not be the case. In addition, there is likely to be an implementation period, this has not been included in the modelling as it will be consulted on during consultation.
51. For this IA we are using a 2024 price base year and a 2027 present value base year. The interpretation of these figures throughout the IA is '*if this measure was introduced in 2027, the costs and figures in 2024 prices would be this much*'.
52. As outlined in the HMT Green Book, a discount rate of 3.5% per year has been used for all costs and benefits.
53. Due to evidence limitations, a significant proportion of the benefits of the policy are not quantified or monetised in this analysis. Additionally, where products in scope are novel, this creates further challenges and uncertainties in assessing the potential scale of the benefits. For example, the long-term health harms of vaping products are still unknown.
54. As a result, we do not think the presentation of a Net Present Social Value (NPSV) would provide a fair reflection of the overall net impact on society from this policy.

Interactions

55. The Government's aims to tackle youth vaping and the use of heated tobacco sits alongside several other measures we propose to introduce using powers within the Tobacco and Vapes Act and there are other IAs covering these other measures.

⁶³ HMT. 2022. The Green Book: appraisal and evaluation in central government - GOV.UK

56. This IA considers the costs and benefits of the policy in isolation. However, we recognise that other policies implemented through secondary legislation as part of the Tobacco and Vapes Act are likely to interact with each other.
57. The policies will also likely interact with other external factors and any future tobacco and vaping interventions such as changes to smoking cessation services, evolving long term health evidence on vaping and other nicotine products, introduction of novel nicotine delivery products or potential changes in population behaviours or trends.
58. There is limited evidence on how different policies will interact with each other and external factors. How policies interact will also depend on the options taken forward to final IA stage following consultation.
59. Further IAs will be developed, that will consider if there is any new evidence available to quantify how the policies interact with each other. At this stage we have provided a qualitative assessment of how policies might interact.

Potential interactions

60. Vaping and nicotine product policies will aim to reduce the number of young people and non-smokers that vape or consume nicotine products.
61. Policies aiming to make vapes and nicotine products less appealing to young people such as restrictions on packaging and devices should be seen as mutually reinforcing. They could be expected to have a larger impact on youth vaping and nicotine product use rates compared to implementing them in isolation, if implementing them together is assumed to have a larger impact on the appeal of vapes to young people.
62. Restrictions on the display of vapes and other nicotine products further reinforces these policies by limiting youth exposure to vaping products. By limiting visibility and access, these restrictions could reduce youth vaping further.
63. However, it is possible that the total impact on youth vaping rates is less than the sum of individual policies, as the policies will be targeting the same groups of people. For example, in the worst-case scenario the impact could be the estimated impact size of one policy, and any additional policies have no additional impact.
64. Due to these potential interactions, there may be overlap between the costs and benefits identified creating a risk of double counting. Some cost estimates across the options are unlikely to be independent and therefore should not be added together. If the full impacts of each policy were aggregated, the total costs and benefits could be overstated. For example, familiarisation costs have been calculated separately for each policy, but if measures are implemented simultaneously, businesses subject to multiple policies may face a lower overall burden than the sum of the individual costs, for instance if guidance is combined.
65. Benefits have not been monetised in the IAs, so there is not the same risk of double counting of quantified benefits. However, for the non-monetised benefits considered, it is important to note that they should not be assessed in isolation. Many of these benefits may arise from multiple policies and may apply to overlapping population. As a result, the benefits of individual policies cannot be combined.

Unintended consequences

66. A possible unintended consequence of vaping restrictions is that it could shift harm perceptions of vaping products, leading to individuals switching or trying more harmful products. It could also reduce the number of smokers willing to use vapes for smoking cessation.
67. To further mitigate similar unintended consequences, the Tobacco and Vapes Act brings forward restrictions on more harmful products, notably including age of sale restrictions for tobacco products. The tobacco policies in the Act are intended to reduce the proportion of people to whom tobacco can be sold. We would expect these policies to at least partially mitigate any potential unintended consequences that might see an increase people trying tobacco products.
68. The analysis for individual policies on vaping products, nicotine products, and tobacco products are presented in separate IAs. However, there may be overlap between the costs and benefits identified creating a risk of double counting. In particular some cost estimates across the options are unlikely to be independent and therefore should not be added together. If the full impacts of each policy were aggregated, the total costs and benefits could be overstated. For example, familiarisation costs have been calculated separately for each policy, but if measures are implemented simultaneously, businesses subject to multiple policies may face a lower overall burden than the sum of the individual costs, for instance if guidance is combined.
69. Benefits have not been monetised in the IAs, so there is not the same risk of double counting of quantified benefits. However, for the non-monetised benefits considered, it is important to note that they should not be assessed in isolation. Many of these benefits may arise from multiple policies and may apply to overlapping population. As a result, the benefits of individual policies cannot be combined.

Description of options considered

Policy objectives

70. The UK Government, as well as the devolved governments in Scotland, Wales and Northern Ireland, have a duty to protect and improve the health of their citizens. Specifically, they are committed to our ambition for a smoke-free UK and tackling the rise in youth vaping. The aim to reduce youth vaping needs to be balanced against the objective to support adult smokers to quit, in which vaping can play a key role.
71. The specific policy objectives for introducing display regulations for the products in scope are set out below:
- Objective 1: To further reduce tobacco consumption in any form by maintaining current restrictions on tobacco product display and removing the promotion of tobacco related products and herbal smoking products via display, as a means of reducing tobacco uptake among young people and supporting adult smokers who want to quit tobacco.
 - Objective 2: To reduce youth vaping and prevent future generations from nicotine addiction and wider risk of harm from vaping and nicotine products by reducing the visibility of these products and therefore the appeal and attractiveness to children and young people.

- Objective 3: To continue to maintain the availability of vapes as a smoking cessation aid to help adult smokers quit smoking and avoid unintended consequences on smoking rates.

72. These objectives align with wider HMG objectives such as:

- The Government's manifesto commitment to '*create a smoke-free generation*' and '*stop the next generation from being hooked on nicotine*'. We also expect these objectives to contribute to the wider government commitments to 'build a National Health Service fit for the future', 'support economic growth' and 'reduce waste'⁶⁴.
- The Government's 10 Year Health Plan for England, which aims to "halve the gap in healthy life expectancy between the richest and the poorest regions, while increasing it for everyone, and to raise the healthiest generation of children ever"⁶⁵. Many of the described health harms associated with the products in scope contribute to the gap in healthy life expectancy, and preventing the initiation and use of these products by children will contribute to this goal.
- The public health objectives within the Government's Health Mission to 'support people to stay healthier for longer', 'shorten the time people spend in ill health' and 'shift the health system away from a focus on treatment to one focused on prevention'⁶⁶. The described products have associated health harms as detailed in the evidence section. By reducing their use, *particularly* by stopping the initiation of use in children and young people, we are aiming to prevent long term health conditions which will improve overall population health in the UK.
- The objective within the Growth Mission to make 'improvements to economic activity as a result of ill health'⁶⁷. Many of the described health harms associated with the products in scope carry *substantial* economic harms driven by potential reductions in economic activity as a result of long-term health conditions. Preventing the initiation and use of these products aims to improve associated economic inactivity.

73. Other indicators for success include:

- Strategic fit – the timing and content are complementary to other regulations subsequent to the Tobacco and Vapes Act, as well as other strategic government aims.
- Potential value for money – the correct balance between indicators such as individual and population level health gains, environmental gains, productivity gains, cost savings to government and individuals, and risks such as: cost to businesses, net business profit loss, and deliverability risks.

⁶⁴ Labour. 2024. [Change: Labour Party Manifesto](#).

⁶⁵ UK Government. 2025. [Fit for the future: 10 Year Health Plan for England](#).

⁶⁶ Labour. [Build an NHS fit for the future](#).

⁶⁷ Labour. [Kickstart economic growth](#).

- Capacity, capability and achievability amongst retailers who need to deliver this policy in the required time and enforcement agencies who will be required to implement necessary measures to enforce this change.

Policy options

74. The policy options were selected by assessing long-list of options against a range of factors, such as, products in scope, geography, size of businesses, how to deliver change, and implementation.
75. There are 4 policy options considered in this IA:
 - **Option 1 ('Business as Usual')**: Current legislation for tobacco products would still apply.
 - **Option 2**: Display regulations to prohibit the display of cigarette papers and tobacco related products (such as heated tobacco devices). Vaping products and nicotine products can be displayed, but only accessible on request. Exemptions to display products in scope in the course of business would apply.
 - **Option 3**: Display regulations to prohibit the display of cigarette papers, tobacco related products (such as heated tobacco devices), vaping products and nicotine products. Some exemptions for vaping products (such as for pharmacies) would apply, and exemptions to display products in scope of the course of business would apply.
 - **Option 4 (preferred option)**: Display regulations to prohibit the display of cigarette papers, tobacco related products (such as heated tobacco devices), vaping products and nicotine products. Exemptions to display these products in the course of business would apply on the condition this happens behind a sales counter.
76. Other options were considered but discounted included voluntary schemes or guidance. All options considered but not taken through to the short-list options did not meet the policy objectives and other indicators of success outlined above.

Option 1: 'Business as usual'

77. The business as usual constitutes the baseline against which changes to the display of tobacco related products, cigarette papers and herbal smoking products, and vaping products and nicotine products are assessed.
78. In relation to tobacco related devices, cigarette papers and herbal smoking products:
 - Tobacco related devices cigarette papers, and herbal smoking products could still be displayed with no restrictions.
 - Current legislation on the display of tobacco would still apply, as per The Tobacco Advertising and Promotion (Display) (England) Regulations 2010.
79. In relation to nicotine products, devices and accessories:
 - Nicotine products, devices and accessories could still be displayed by retailers with no restrictions.

80. In relation to display of prices for tobacco and nicotine products, tobacco related devices:
- There would be no change in the display of prices for tobacco related devices, nicotine products, devices and accessories.
 - Current legislation on the display of prices would still apply, as per The Tobacco Advertising and Promotion (Display of Prices) (England) Regulations 2010.
81. The counterfactual for prevalence, consumption and spend for the products in scope of each option are considered the same in all options, with the policy options below measuring the marginal impact against the baseline.

Baselines

82. The options considered cover a number of products in scope:
- Tobacco related products and herbal smoking products
 - Vaping and nicotine products
83. Where data is available, a baseline for prevalence and total spend have been estimated. Baselines consider only those aged 18 and over for the purpose of profit losses, as sales to those under 18 will be illegal.
84. Throughout these baseline estimates the UK population projections are used. Based on ONS mid-year population estimates, the population of England makes up 84.6% of the population of the UK, therefore we scale the populations by this to estimate the England populations.

Vapes (including non-nicotine vapes)

85. For the purposes of this impact assessment, we need to estimate the current and future size of the vape market, for the appraisal period 2027-2036.
86. In the Tobacco and Vapes Act IA⁶⁸, we estimated the vape market size using sales data from a Defra commissioned report by the consultancy Eunomia⁶⁹. This research was conducted in 2023 to develop the evidence base on single use / disposable vape market and its environmental impacts in the UK.
87. It was estimated that 360 million disposable vapes were placed on the market in the UK in 2023⁷⁰. This figure was then projected forward by Eunomia to show that 1 billion disposable vapes could be placed on the market by 2030. Based on the number of vapes on the market, we were then able to estimate the projected business profit from sales using the estimated price of a vape (£5.38 in 2024⁷¹) and the profit margins of manufacturers, wholesalers and retailers outlined in DEFRA's single use vape ban impact assessment⁷².
88. However, DEFRA's single-use vape ban came into force on the 1 June 2025, which makes it illegal to offer to sell or supply single-use vapes or to stock single-use vapes that you plan to sell or supply⁷³. Based on this, we expect the future market to

⁶⁸ DHSC. 2024. [Tobacco and Vapes Bill Impact Assessment](#).

⁶⁹ Eunomia. 2023. [Analysis of the Market for Vapes: Exploring the environmental impacts of single-use vapes](#).

⁷⁰ Material Focus. 2023. [Number of disposable single-use vapes thrown away have in a year quadrupled to 5 million per week](#).

⁷¹ Defra research conducted in 2023 based on a sample (a compiled list of approximately 40 products that were deemed to be disposable vapes based on the definition given in paragraph 80) of products for sale from both online and in-store retailers, including vape stores, newsagents and supermarkets.

⁷² DEFRA. 2024. [Ban on the sale and supply of disposable vapes in England](#).

⁷³ DEFRA. 2025. [Single-use vapes ban: information for businesses](#)

look different, with people who vape, changing their behaviours by quitting, swapping to reusable vapes or changing to other nicotine products. Therefore, we judged it no longer representative to use the existing baseline from the Tobacco and Vapes Act IA. In addition, the baseline used previously was predominantly underpinned by assumptions based on the disposable vapes market, which following the ban may no longer apply.

89. At the time of completing this IA, we could not identify data or forecasts on specific changes to the market as the ban had just come into force (June 2025). Therefore, our vape baseline has been based on existing data with additional assumptions from the DEFRA Impact Assessment on how consumers might change their behaviours.
90. A recent study by UCL⁷⁴ explored the disposable vape ban announcement and found that the recent increase in vaping prevalence in Great Britain has stalled and there has been a shift away from using disposable vapes, with people opting to use reusable vapes instead. However, this study was still only considering changes to vaping prevalence prior to the disposable vape ban coming into force. As a result, we did not consider it appropriate to rely solely on these findings to make assumptions about how the vape market might change as a result of the disposable vape ban.
91. The updated methodology to estimate the vape baseline, uses a bottom-up approach with the following steps:
 - A) Estimate the total number of people vaping using population estimates and vape prevalence.
 - B) Apply the percentages for different behaviours that will switch to different products following the disposable vape ban.
 - C) Estimate the yearly spend on vape per person
 - D) Multiply the total yearly vape spend by the total number of people vaping to get total vape sales.

A and B are covered under *Prevalence*, C and D are covered under *Spend*.

Prevalence

A) *Estimate the total number of people vaping using population estimates and vape prevalence.*

Population Estimates

92. The total number of people vaping has been estimated using ONS population projections⁷⁵. We have split the populations into two groups, youths (11–17) and adults (aged 18+) to identify different impacts by age. These projections also take into account population growth over time.
93. When producing the population estimates for, for example, for profit loss, we should exclude the youth population from the analysis, given the purchase of nicotine vapes for those under 18 is illegal and hence the lost profit to consumers should not be considered.

⁷⁴ Jackson and others. 2025. Changes in vaping trends since the announcement of an impending ban on disposable vapes: A population study in Great Britain.

⁷⁵ ONS. 2022. Population Projections.

94. However, for the purposes of understanding the impact on vaping prevalence and estimating the potential impact on reducing youth vaping, we should consider the reduction in the youth vaping population as a result of the regulations.

Vape prevalence

95. The vaping prevalence applied for 11–15-year-olds has been based on data from NHS Digital's report Smoking, Drinking and Drug Use in England 2023⁷⁶, which estimates prevalence of 8.7% of 11–15-year-olds in 2023.
96. For adults the prevalence that has been applied is based on ONS data⁷⁷ on adult e-cigarette usage in Great Britain in 2023, which was estimated to be 9.8%, made up of daily users (5.9%) and occasional users (3.9%).
97. For the baseline we assume prevalence is constant across all years. Despite growth over recent years, we expect that this is likely to slow, due to measures such as the disposable vape ban. It would not seem feasible to apply previous growth rates used, based on the disposable vape market to the future market. The UCL study⁷⁸ found that prevalence has stalled following the announcement of the disposable vape ban.
98. It is also possible that the market may still experience growth over time and the stalling of increases in prevalence is only temporary. This scenario is considered unlikely though given planned future measures such as the vape duty and other secondary legislation on vapes.
99. Based on the population estimates and the prevalence explained above, we have estimated the number of people vaping, this is before we assume anyone has changed their behaviour following the disposable vape ban.

Table 1: Number of people that vape before switching has been applied (millions), England

Year	Number of adults vaping (million)	Number of young people vaping (million)	Total number of people vaping (million)
2027	4.68	0.43	5.11
2028	4.71	0.42	5.13
2029	4.75	0.42	5.17
2030	4.79	0.41	5.2
2031	4.82	0.41	5.23
2032	4.86	0.4	5.26

⁷⁶ NHS England. 2024. [Smoking, Drinking and Drug Use among Young People in England, 2023](#).

⁷⁷ ONS. 2024. [E-cigarette use in Great Britain](#).

⁷⁸ Jackson and others. 2025. [Changes in vaping trends following the announcement of an impending ban on disposable vapes: a population study in Great Britain](#).

2033	4.89	0.4	5.29
2034	4.92	0.39	5.31
2035	4.95	0.38	5.33
2036	4.98	0.38	5.36

B) Apply the percentages for different behaviours that will switch to different products following the disposable vape ban

Switching behaviour

100. As above, and based on the disposable vape ban we would expect the market to look different in the future. We have adjusted the number of people who vape accounting for the number of people that would quit, move to alternative products or switch to reusables. DEFRA estimates percentages of switching behaviour in the disposable vape ban IA⁷⁹. They make assumptions on behaviour based on the smoking status of disposable vape users. Table 2 is based on 2024 data from The Smoking Toolkit Study⁸⁰, identifying the smoking status of disposable vape users.
101. Based on the population estimates and the prevalence explained above, we have estimated the number of people vaping, this is before we assume anyone has changed their behaviour following the disposable vape ban.

Table 2: Share of disposable vape users by smoking status

Disposable vape user category by smoking status	Proportion of disposable vape users
Never smokers	20%
Current smokers	49%
Recent ex-smokers	10%
Previous smokers	20%

102. Table 3 has then been derived using the proportion of disposable vape users by smoking status (Table 2) from DEFRA's IA and making assumptions about users switching behaviour based on their smoking status. DEFRA assumed that following the disposable vape ban:
- Never smokers will end up quitting vaping.
 - Long-term previous smokers are more likely to switch to reusables given they are likely to have been long term users of vapes.

⁷⁹ DEFRA. 2024. [Ban on the sale and supply of disposable vapes in England](#).

⁸⁰ UCL. [Smoking Toolkit Study](#).

103. For current smokers and recent ex-smokers DEFRA used data from ASH, around satisfaction levels for vapes compared with cigarettes, to make assumptions about their switching behaviour. ASH found that 52% of current smokers and 28% of ex-smokers are less satisfied with vapes compared with cigarettes. DEFRA applied this proportions to current smokers and ex-smokers and assumed they will not transition to disposable vapes following the ban.

Table 3: Share of disposable vape users by assumed switching behaviour

Disposable vape user category by smoking status	Switching behaviour assumption	Proportion of disposable vape users
Never smokers	Quit vaping	20%
Current smokers	Quit vaping	26%
	Transition to reusable vapes	24%
Recent ex-smokers	Quit vaping	3%
	Transition to reusable vapes	7%
Previous smokers	Transition to reusable vapes	20%
Total		100%

104. Taking into account the percentages outlined in Table 3, the total percentage of disposable vape users that will no longer vape is 49%. This is made up of 20% never smokers, 26% current smokers and 3% recent ex-smokers. Based on this, we have applied a 49% reduction to the total number of people that use disposable vapes.
105. As the switching rate is applied to disposable users, we have assumed, based on ASH data, that 30% of adults used disposable vapes and 54% of young people used disposable vapes.
106. More recent data on the type of device used has been published by ASH^{81,82}. This data shows that the proportion of individuals using disposable vapes has fallen. In 2025, 42% of young people use disposable vapes and 24% of adults use disposable vapes. Whilst the field work for the surveys was conducted before the disposable vape ban came into force there may be some anticipatory switching effects included

⁸¹ ASH. 2025. Use of vapes among young people in Great Britain.

⁸² ASH. 2025. Use of vapes among adults in Great Britain.

in the 2025 figures. To avoid capturing switching behaviours twice, we have used the 2024 figures in this analysis.

107. The total number of people vaping, adjusting for the disposable vape ban has then been outlined in Table 4.

Table 4: Number of people vaping following the disposable vape ban (millions), England

Year	Number of adults vaping (millions)	Number of young people vaping (millions)	Total number of people vaping (millions)
2027	3.99	0.31	4.3
2028	4.02	0.31	4.33
2029	4.05	0.31	4.36
2030	4.08	0.3	4.38
2031	4.11	0.3	4.41
2032	4.14	0.3	4.44
2033	4.17	0.29	4.46
2034	4.2	0.29	4.49
2035	4.22	0.28	4.5
2036	4.25	0.28	4.53

108. However, in practice there may be differences in the switching behaviours of individuals in the market. We have therefore tested a scenario in sensitivity analysis, where 100% of disposable users switch to reusables, to represent the maximum possible number of people vaping.

Spend

C) Estimate the yearly spend on vapes per person

Vape expenditure

109. A recent paper by UCL⁸³ based on data from the Smoking Toolkit Study estimated weekly vape expenditure. The average weekly vape expenditure is shown in Table 5. These figures can be multiplied to estimate the average yearly expenditure and used to estimate total sales value of vapes.

⁸³ Jackson and others. 2025. Changes in expenditure on vaping in the context of the rise of disposable vapes and impending regulatory changes: a population study in Great Britain, 2021-2025.[pre-print]

Table 5: Average weekly spend on vapes (adjusted to 2024 prices)

Device Type	Average weekly expenditure
Reusable	£7.28
Disposable	£11.02

110. Based on these figures, the estimated average yearly spend on vapes is £378.49 for reusable and £573.03 for disposable vapes. This has been adjusted to be in 2024 prices using GDP deflators⁸⁴.
111. Other studies of vape expenditure, including a report by HMRC⁸⁵ conducted in 2023 stated that current vapers reported spending an average of £8.60 (£8.94 in 2024 prices) a week on vaping products. With disposable vape users spending £10.85 (£11.28 in 2024 prices), compared to reusable users spending £6.95 (£7.23 in 2024 prices) a week. This is similar to that estimated by UCL. Our assumptions are based on the UCL paper, as this uses more recent data and has a larger sample size.

D) Multiply the total yearly vape spend by the total number of people vaping to get total vape sales

Total vape sales

112. Based on the assumptions outlined above we can estimate the total sales volume, of the vape market from 2027-2036. This is done by multiplying the total number of estimated people that vape by the average yearly spend (£378). The total sales value can be seen in Table 6.

Table 6: Total modelled vape sales

Year	Total spend (£bn)
2027	1.51
2028	1.52
2029	1.53
2030	1.55
2031	1.56
2032	1.57
2033	1.58
2034	1.59

⁸⁴ HMT. 2025. GDP deflators at market prices and money GDP June 2025 (Quarterly National Accounts)

⁸⁵ HMRC. 2023. Understanding the vaping market.

2035	1.60
2036	1.61

113. Given a high level of uncertainty on future vaping prevalence and switching behaviours following the disposable vape ban, there remains some uncertainty in the final estimates. We will review any updated data following the disposable vape ban for final stage IA.

Heated tobacco

Prevalence

114. Based on data from the Smoking Toolkit Study⁸⁶, prevalence of heated tobacco has remained low for almost the past 10 years. The latest prevalence estimates suggest 0.4% of those aged 16 and over use heated tobacco products. Alternative data from ASH⁸⁷ suggests a slightly higher prevalence for those aged 11 to 18.
115. In this IA, the central estimate of heated tobacco prevalence is assumed to be 0.4%, and other prevalence rates are tested in the sensitivity analysis.
116. It is expected that by 2027, the smokefree generation policy will have been implemented which bans the sale of tobacco to anyone born on or after the 1st of January 2009. This will effectively raise the age of sale of tobacco, which includes heated tobacco, each year.
117. To model the number of heated tobacco users each year from 2027 to 2036, the projected number of people⁸⁸ above the age of sale in that year are multiplied by the prevalence of 0.4% which is assumed to remain constant. Table 7 shows the modelled number of users and prevalence.

Table 7: Heated tobacco baseline, modelled number of users and prevalence

Year	Population over the age of sale, England (millions)	Estimated number of heated tobacco users (millions)	Modelled heated tobacco prevalence
2027	47.0	0.19	0.394%
2028	46.6	0.19	0.388%
2029	46.2	0.18	0.382%
2030	45.8	0.18	0.375%
2031	45.4	0.18	0.369%

⁸⁶ UCL. Smoking Toolkit Study: Prevalence of vape and heated tobacco product use.

⁸⁷ ASH. Heated tobacco. (accessed July 2025)

⁸⁸ ONS. 2025. National population projections: 2022-based (ppu projection).

2032	44.9	0.18	0.363%
2033	44.5	0.18	0.357%
2034	44.0	0.18	0.351%
2035	43.5	0.17	0.345%
2036	43.0	0.17	0.339%

Spend

118. The estimated annual spend on heated tobacco is made up of two components: the spend on heated tobacco devices themselves, and spend on heated tobacco sticks.
119. To estimate the annual spend on heated tobacco devices product prices from leading brands have been reviewed and are shown in Table 8. Heated tobacco devices are often sold with a starter pack with heated tobacco sticks. However, for the purposes of this analysis these have not been separated out. Additionally, where multiple colour options were available for one device type, but the price was the same, it has only been included once.
120. In practice, this may be different to the price of heated tobacco devices from other retailers and excludes any promotion discounts. For example, the Ploom X Advanced device can be purchased for £7.00 from the retailer Sainsbury's. It may also be skewed by only including a selection of products from their manufacturer' websites. However, in the absence of additional data it has not been possible to use alternatives to estimate the price of heated tobacco devices.
121. Based on this, an average price of £39.05 across all devices is used.

Table 8: Heated tobacco device prices from manufacturer websites (accessed July 2025)

Brand	Devices/starter kits	Price	Average price of devices
IQOS ⁸⁹	ILUMA ONE	£29.00	£58.20
	ILUMA	£35.00	
	ILUMA i	£59.00	
	ILUMA PRIME	£79.00	
	ILUMA i PRIME	£89.00	
Ploom ⁹⁰	X Advanced	£29.00	£29.00
NEAFS ⁹¹	TEO	£29.99	£29.99
Glo ⁹²	HYPER Pro +	£29.00	£39.00
	Hyper pro	£49.00	
Average price across all devices			£39.05

⁸⁹ IQOS. [IQOS ILUMA Starter Kits](#) (accessed July 2025)

⁹⁰ Ploom. [Devices](#). (accessed July 2025)

⁹¹ Neafs. [Heating devices](#). (accessed July 2025)

⁹² Glo. [Devices](#). (accessed July 2025)

122. To estimate the annual spend on heated tobacco sticks, it is assumed that the consumption of heated tobacco sticks is equivalent to the consumption of cigarettes.⁹³ The average number of cigarettes consumed per day is 10.6,⁹⁴ or 3,869 per year. Based on the average price of a pack of 20 heated tobacco sticks of £6.00⁹⁵, the price per stick is estimated to be £0.30. The total annual spend is estimated by multiplying the number of sticks consumed per year by the average price to get £1,161.
123. Adding the total annual spend on heated tobacco devices to the total annual spend on heated tobacco stick puts the overall spend on heated tobacco products to be £1,199.75.
124. Multiplying this total annual spend by the number of heated tobacco users produces the estimated total heated tobacco revenue shown in Table 9.

⁹³ Based on IQOS. [How Many HEETS Sticks Do I Need Per Day?](#) (accessed July 2025)

⁹⁴ ONS. 2024. [Adult smoking habits in the UK: 2023](#).

⁹⁵ Based on prices between £5.00 and £7.00 across supermarket websites (accessed July 2025)

Table 9: Heated tobacco baseline, total estimated spend

Year	Estimated total heated tobacco spend (£m)
2027	226
2028	224
2029	222
2030	220
2031	218
2032	216
2033	214
2034	211
2035	209
2036	207

Other nicotine product market baselines

Background

125. The evidence and data available for other nicotine products is more limited than for the vape market. Up until recently prevalence remained low. This impacts our ability to estimate the baseline for other nicotine products. The information and figures that we have identified are of mixed quality. The main other nicotine product we are able to consider at this stage is nicotine pouches. We have reviewed the following information on the market size or market turnover:

- As reported by the Tobacco Reporter⁹⁶, Euromonitor estimated that UK consumers purchased 92.1 million nicotine pouches in 2022, with sales growing by 53% in 2023.
- Wholesale Nicotine Pouches⁹⁷ also state in the Nicotine Pouches Market Report 2025, that the nicotine pouch market in 2023 was estimated to be \$268.4m and is projected to grow at a CAGR of 38.9% from 2024 to 2030, according to Grand View Research.
- Another website, Conveniencestore.co.uk⁹⁸, quotes the head of marketing of Scandinavian Tobacco Group UK and states that nicotine pouches are worth

⁹⁶ Rossel. 2024. The potential of pouches. Tobacco Reporter.

⁹⁷ Wholesale Nicotine Pouches. 2025. Nicotine Pouches Market Report 2025. (Accessed July 2025)

⁹⁸ Convenience Store. 2025. Six things about tobacco, vaping and next gen products. (Accessed July 2025)

£131m in annual retail sales (excluding online sales) which reflects growth of 82% in 2024.

126. Nicotine pouch prevalence is currently much smaller than vape prevalence. This means it may not be accurate to use the vape market as a proxy. However, as noted above from various sources, it is expected to grow. We will review any additional data on the nicotine pouch market for final stage IA.

Methodology

127. To estimate the size of the nicotine pouch market, we will use a similar approach to that used for the vape market above. In the Tobacco and Vapes Act IA⁹⁹, we estimated the impact on profit of prohibiting the sale and proxy purchasing of nicotine products to under 18s. This has also helped inform the baseline used in this IA for nicotine pouches. We have used the following approach to estimate the baseline:

- A) Estimate the number of individuals using nicotine pouches
- B) Estimate the number of pouches consumed a day
- C) Use the average cost of nicotine pouches to estimate yearly spend on nicotine pouches
- D) Multiply the yearly spend on nicotine pouches by number of people using pouches

A) Estimate the number of individuals using nicotine pouches

128. To estimate the number of users of nicotine pouches we have used the ONS population projections¹⁰⁰.
129. To estimate the number of nicotine pouch users we apply prevalence estimates to the total population. A study based on Action on Smoking and Health Smoke free Surveys 2024¹⁰¹, found that prevalence of adult ever use of nicotine products was 1% for adults in 2024 and 1.2% for youths.
130. The estimated number of nicotine pouch users can be seen in Table 10. We have estimated the number of youths to include 11–17-year-olds and adults as 18+.

⁹⁹ DHSC. 2024. Tobacco and Vapes Bill Impact Assessment.

¹⁰⁰ ONS. 2022. Population Projections.

¹⁰¹ Brose and others. 2025. Prevalence of Nicotine Pouch Use Among Youth and Adults in Great Britain- Analysis of Cross-sectional, Nationally Representative Surveys.

Table 10: Estimated number of nicotine pouch users

Year	Number of adult nicotine pouch users (millions)	Number of youth nicotine pouch users (millions)	Total number of nicotine pouch users (millions)
2027	0.56	0.07	0.63
2028	0.57	0.07	0.64
2029	0.57	0.07	0.64
2030	0.58	0.07	0.65
2031	0.58	0.07	0.65
2032	0.59	0.07	0.65
2033	0.59	0.07	0.66
2034	0.59	0.06	0.66
2035	0.6	0.06	0.66
2036	0.6	0.06	0.66

B) Estimate the number of nicotine pouches consumed per day

Number of products consumed

131. The spend on nicotine pouches is estimated by using data on the consumption rate of nicotine pouches. Haypp report that the average nicotine pouch user uses 3 cans a week¹⁰². At the time of completing this IA, we are not aware of data that shows the rate of consumption of nicotine pouches. Therefore, we have used 3 packs a week to estimate the consumption rate.
132. We have also explored the methodology used in the Tobacco and Vapes Act IA¹⁰³ based on Nicotine Inhaling Products Impact Assessment. This method used the consumption of nicotine inhaling products as a proxy for the consumption of nicotine pouches. This assumed that users that use nicotine pouches often consumed around 1 pack of nicotine pouches a week¹⁰⁴. However, nicotine inhaling product consumption rates may not be a good proxy for nicotine pouch consumption. This has been included in the sensitivity analysis to reflect the uncertainty in this estimate.

¹⁰² Haypp. 2024. [Nicotine Pouch Report The UK 2024](#).

¹⁰³ DHSC. 2024. [Tobacco and Vapes Bill Impact Assessment](#).

¹⁰⁴ Based on 632 pouches being consumed a year and an average of 20 pouches in a pack.

C) Use the average cost of nicotine pouches to estimate yearly spend on nicotine pouches

133. The price of nicotine pouches is dependent on the size, strength and brand. In the absence of data on nicotine pouch prices, we have reviewed the prices of leading brands¹⁰⁵. On the websites of the leading brands, we have filtered by bestselling / most popular products where possible and taken the average price of each of the products. Based on this, we assume nicotine pouches cost £5.56 on average.
134. Adjusting this to 2024 prices, the cost of a pack of nicotine pouches is £5.39. Translating this to yearly spend, based on a consumption rate of 3 packs a week, results in a yearly spend of £841 per person per year.
135. In practice, this may be different to the price of nicotine pouches purchased in person in stores and excludes any promotional discounts. It may also be skewed by only including a selection of the most popular brands and most popular products. However, in the absence of additional data we assume these online prices reflect the average price of nicotine pouches.

Table 11: Summary of leading nicotine pouch brands prices

Brand	Most popular products	Price	Average price of products
Velo ¹⁰⁶	Freezing peppermint	£6.50	£6.20
	Icy Berries	£6.50	
	Mango Flame	£6.50	
	Orange Spark	£6.50	
	Creamy Latte	£5.00	
Nordic Spirit ¹⁰⁷	Spearmint regular 6mg	£6.50	£6.50
	Mint Regular 6mg	£6.50	
	Spearmint Strong 9mg	£6.50	
	Spearmint X-Strong 11mg	£6.50	
	Spearmint Mini Regular	£6.50	
Zyn ¹⁰⁸	Spearmint X-Low 1.5mg	£6.50	£6.50
	Spearmint 3mg	£6.50	
	Citrus 3mg	£6.50	
	Apple Mint 3mg	£6.50	
	Cool Mint 3mg	£6.50	
XQS ¹⁰⁹	Black Cherry #4	£4.35	£4.35
	Soft Toffee #2	£4.35	
	Tropical #4	£4.35	
	Soft Toffee #4	£4.35	
	Black Cherry #2	£4.35	
On! ¹¹⁰	Mint 3mg Mini Normal	£4.49	£4.23
	Mint 6mg Mini Strong	£4.49	
	Spearmint 6mg Mini Strong	£4.49	
	Island Twist 6mg Mini Strong	£4.49	
	Plus Citrus Slim Strong	£3.19	
Average price across all products			£5.56

¹⁰⁵ Haypp. 2025. [Best Nicotine Pouches and Snus 2025](#) (accessed July 2025)

¹⁰⁶ Velo. 2025. [www.velo.com](#) (accessed July 2025)

¹⁰⁷ Nordic Spirit. 2025. [Nordicspirit.co.uk](#) (accessed July 2025)

¹⁰⁸ Zyn. 2025. [www.zyn.com](#) (accessed July 2025)

¹⁰⁹ XQS products accessed on [www.nicpouch.co.uk](#) (accessed July 2025)

¹¹⁰ On! 2025. Product prices accessed on [haypp.com](#) (accessed July 2025)

D) Multiply the yearly spend on nicotine pouches by number of people using nicotine pouches

136. Based on an average spend of £841 per person, we can estimate the total sales value of the market across the appraisal period.

Table 12: Total sales value of nicotine pouches

Year	Total spend on nicotine pouches (£m)
2027	533
2028	536
2029	540
2030	543
2031	546
2032	548
2033	551
2034	553
2035	555
2036	557

Limitations

137. There is uncertainty associated with assumptions used to estimate the total sales value of nicotine pouches. For example, there is uncertainty around the assumption that on average each nicotine pouch user consumes 3 packs of pouches per week, therefore we have tested this assumption in sensitivity analysis.
138. Another assumption that has been tested in sensitivity analysis is the growth rate of the market. In the absence of sufficient data and evidence, we have assumed that this is constant across the appraisal period. We realise that in practice this may not be the case. Consumers may be switching from vapes to other nicotine products such as nicotine pouches as a result of the disposable vape ban. However, the estimates produced by DEFRA in Table 3, do not provide data on the proportion of people that will switch to nicotine pouches specifically. Instead, in the sensitivity analysis, we have used the average growth rate of vape prevalence in the market across 10 years (2014-2023) and applied this to nicotine pouches, to illustrate the market if it does experience the same growth.

All other products

139. Due to limited data available, it has not been possible to produce robust estimates for baselines of products not included in the above section.

Options 2, 3, and 4

Option 2

140. In relation to tobacco related products and herbal smoking products, Option 2 would require:
- The display of all tobacco related products, and herbal smoking products would be restricted so as not to be viewed from outside, or inside.
 - The current exemptions for specialist tobacconists would be carried forward. The exemption for bulk tobacconists would be removed.
 - These regulations would be England only and delivered through new secondary legislation.
 - This would be a national implementation covering all businesses in scope, with a minimal transition period, subject to consultation.
141. In relation to vaping and nicotine products, Option 2 would require:
- The display of all vapes (both nicotine and non-nicotine), all nicotine products (such as nicotine pouches) would be restricted so as not to be viewed from outside, but could be viewed from inside. These products would only be accessible on request.
 - There would be no exemptions for any businesses or services.
 - These regulations would be England only and delivered through new secondary legislation.
 - This would be a national implementation covering all businesses in scope, with no transition period.
142. In relation to the display of prices for tobacco, vaping, and nicotine products, Option 2 would require:
- The tobacco display of prices regulations to be mirrored to cover all tobacco related devices, cigarette papers and herbal smoking products.

Option 3

143. In relation to tobacco and tobacco related devices, Option 3 would require:
- The display of all tobacco related devices, cigarette papers and herbal smoking products would be restricted so as not to be viewed from outside, or inside.
 - The current exemptions for specialist tobacconists would be carried forward. The exemption for bulk tobacconists would be removed.
 - These regulations would be England only and delivered through new secondary legislation.

- This would be a national implementation covering all businesses in scope, with no transition period.

144. In relation to vaping and nicotine products, Option 3 would require:

- The display of all vapes (both nicotine and non-nicotine), all nicotine products (such as nicotine pouches) and vaping devices and components (that are sold separately) would be restricted so as not to be viewed from outside, or inside, and only be accessible on request.
- There would be no exemptions for any businesses or services other than pharmacies, where products could remain on display but only accessible on request.
- These regulations would be England only and delivered through new secondary legislation.
- This would be a national implementation covering all business in scope, with no transition period.

145. In relation to the display of prices for tobacco and nicotine products, and devices, Option 3 would require:

- The display of prices regulations would also cover all tobacco related devices, cigarette papers and herbal smoking products.
- The display of prices regulations would also cover vaping and nicotine products.

Option 4

146. In relation to tobacco and tobacco related devices, Option 4 would require:

- The display of all tobacco and tobacco related devices, cigarette papers and herbal smoking products would be restricted so as not to be viewed from outside, or inside.
- Products must specifically be kept behind the counter.
- The current exemptions for specialist tobacconists would be carried forward. The exemption for bulk tobacconists would be removed.
- These regulations would be England only and delivered through new secondary legislation.
- This would be a national implementation covering all businesses in scope, with no transition period.

147. In relation to vaping and nicotine products, Option 4 would require:

- The display of all vapes (both nicotine and non-nicotine), all nicotine products (such as nicotine pouches) and vaping devices and components (that are sold separately)

would be restricted so as not to be viewed from outside, or inside, and only be accessible on request.

- Products must specifically be kept behind the counter.
- There would be no exemptions for any businesses or services other than pharmacies, where products could remain on display but only accessible on request.
- These regulations would be England only and delivered through new secondary legislation.
- This would be a national implementation covering all business in scope, with no transition period.

148. In relation to the display of prices for tobacco and nicotine products, and devices Option 4 would require:

- The display of prices regulations would also cover all tobacco related devices, cigarette papers and herbal smoking products.
- The display of prices regulations would be also cover vaping and nicotine products

Impact of options

Children and young people

149. The impact on children and young people is considered in two separate parts: the impact on children and young people's exposure to products as a result of this option; and subsequent impact on children and young people's experimentation with products as a result of this option.

150. These impacts are illustrative, showing the potential impact of the policy on a cohort of children and young people based on evidence that supports the mechanisms and logic model, and the achievement of the objectives.

Exposure

151. On exposure, a 2018 paper used data from NHS' Smoking, Drinking and Drug use among young people to assess the impact of the point-of-sale display ban on the awareness of and access to cigarettes¹¹¹. It used 3 years of data: pre-implementation in 2010, post-partial implementation in large shops in 2014, and post full implementation in 2016.

152. The main measure of interest was on awareness of cigarettes, namely by exposure in shops. For this, the paper reviewed the question on whether children had seen cigarette packets on display in any of the following shops:

- Supermarket

¹¹¹ Lavery and Vamos. 2018. Child awareness of and access to cigarettes: Impacts of the point-of-sale display ban in England.

- Newsagent
- Tobacconist or sweet shop
- Petrol station or garage shop
- Any other shop

153. The paper found that between 2012 and 2014, awareness increased by a small amount during the partial ban across a number of demographics. However, this was reversed in 2016 and there was a statistically significant decrease in awareness in 2016 compared with 2012.
154. The adjusted odds ratio (AOR) of exposure in 2016 in those aged 11 to 15 when considering the impact in all shops was 0.58 (95% confidence interval: 0.50 to 0.66).
155. In the options, no adjustments to the results are made as this option closely aligns with the display regulations the study was considering and the AOR for exposure with display regulations is 0.58.
156. It is assumed that the results would be the same for products other than tobacco.
157. Exposure is considered separately across a number of products, though the methodology is broadly the same with minor differences in data. While other products are in scope, robust data was not available, therefore only the following are considered:
- Vapes
 - Heated tobacco
 - Nicotine pouches

Vapes

158. To estimate the reduction in exposure of young people to vaping products:
- The total number of 11- to 17-year-olds in England from ONS mid-year population estimates¹¹² are used: 4,889,073.
 - The proportion of 11- to 17-year-olds being exposed to vape displays in small shops in 2022 (71.6%)¹¹³ is applied to get the baseline number who are exposed as 3,500,576 and aren't exposed as 1,388,497.
 - The AOR of exposure of 0.58 is applied to these estimated to get the new number of 11- to 17-year-olds in Option 3 and 4 who are exposed 2,903,464 and aren't exposed 1,985,609.

¹¹² ONS. 2025. Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2024.

¹¹³ Pamham and others. 2023. Changing awareness and sources of tobacco and e-cigarettes among children and adolescents in Great Britain.

- The difference in non-exposure between the baseline and Option 3 and 4 is calculated to be 597,112 young people aged 11 to 17.

Table 13: Options 3 and 4, change in exposure of vape displays 11- to 17-year-olds.

	Not exposed to vapes	Exposed to vapes
Baseline	1,388,497	3,500,576
Options 3 and 4	1,985,609	2,903,464
<i>Difference (between baseline and Options 3 and 4)</i>	<i>597,112</i>	<i>-597,112</i>

159. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced exposure. Table 14 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as 591,112, in the lower scenario as 464,314, and upper scenario as 774,271.

Table 14: Option 3 and 4, change in exposure of vape displays 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds exposed to vape displays	597,112	464,314	774,271

Heated tobacco

160. To estimate the reduction in exposure of young people to heated tobacco devices:

- The total number of 11- to 17-year-olds in England from ONS mid-year population estimates are used: 4,889,073.
- The proportion of 11- to 17-year-olds that are aware of these products, 24%¹¹⁴, is used as a proxy for the exposure to the display of these products to get the number exposed 1,173,378 and not exposed 3,715,695.
- The AOR of exposure of 0.58 is applied to these estimated to get the new number of 11- to 17-year-olds in Option 3 who; are exposed 756,849 and aren't exposed 4,132,224.
- The difference in non-exposure between the baseline and Options 2, 3 and 4 is calculated to be 416,528 young people aged 11 to 17.

¹¹⁴ ASH. Heated tobacco.

Table 15: Options 2, 3 and 4, change in exposure of heated tobacco 11- to 17-year-olds.

	Not exposed to heated tobacco devices	Exposed to heated tobacco devices
Baseline	3,715,695	1,173,378
Option 2, 3 and 4	4,132,224	756,849
<i>Difference (between baseline and Options 2, 3, and 4)</i>	416,528	-416,528

161. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced exposure. Table 16 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as 416,528, in the lower scenario as 340,741, and upper scenario as 506,585.

Table 16: Options 2, 3 and 4, change in exposure of heated tobacco 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds exposed to heated tobacco displays	416,528	340,741	506,585

Nicotine pouches

162. To estimate the reduction in exposure of young people to nicotine pouches:

- The total number of 11- to 17-year-olds in England from ONS mid-year population estimates are used: 4,889,073.
- The proportion of 11- to 17-year-olds that are aware of nicotine pouches, 43.4%¹¹⁵ as a proxy for the number that are exposed as 2,121,858 and not exposed as 2,767,215. This is likely an overestimate for the proportion that are exposed via shop displays but is the best available evidence.
- The AOR of exposure of 0.58 is applied to these estimated to get the new number of 11- to 17-year-olds in Options 3 and 4 who are exposed as 1,505,011 and aren't exposed as 3,384,062.

¹¹⁵ Brose and other. 2025. Prevalence of Nicotine Pouch Use Among Youth and Adults in Great Britain—Analysis of Cross-Sectional, Nationally Representative Surveys.

- The difference in non-exposure between the baseline and Options 3 and 4 is calculated to be 616,847 young people aged 11 to 17. As above, this is likely to be an overestimate.

Table 17: Options 3 and 4, change in exposure of nicotine pouches 11- to 17-year-olds.

	Not exposed to nicotine pouches	Exposed to nicotine pouches
Baseline	2,767,215	2,121,858
Options 3 and 4	3,384,062	1,505,011
<i>Difference (between baseline and Options 3 and 4)</i>	<i>616,847</i>	<i>-616,847</i>

163. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced exposure. Table 18 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as 616,847, in the lower scenario as 495,626, and upper scenario as 766,904.

Table 18: Options 3 and 4, change in exposure of nicotine pouches 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds exposed to nicotine pouch displays	616,847	495,626	766,904

Summary – Exposure

164. Table 19 summarises the reduction in exposure for Options 3 and 4 across the products in scope where data was available. It is not possible to sum these estimates as the estimates do not account for those exposed to multiple products, and these may be overestimates in the cases where data specifically on exposure via shops displays was not available.

Table 19: Options 3 and 4, summary of reduced exposure.

Product, fewer number of 11- to 17-year-olds exposed	Central estimate	Lower estimate	Upper estimate
Vapes	597,112	464,314	774,271

Heated tobacco products	416,528	340,741	506,585
Nicotine pouches	616,847	495,626	766,904

Experimentation

165. On experimentation, a 2015 paper using data from the DISPLAY, a cohort study across four schools in Scotland in 2015 assessed the impact of exposure to display and subsequent e-cigarette use. The analysis was restricted to young people who had never used an e-cigarette in 2015 in the original survey and had a high data completion rate with 84% of those surveyed in 2015 providing a follow-up response. The main measure was e-cigarette status at follow-up for those who recalled seeing e-cigarettes for sale in small shops in the last 30 days compared with those who hadn't.
166. The study was specifically for small retailers, with the results being adjusted for; recall of e-cigarettes in supermarkets, recall of e-cigarettes on the internet, recall of e-cigarette adverts on other media, having friends who smoke, having family members that smoke, smoking status, sex, age, affluence and school.
167. The AOR for e-cigarette experimentation for young people that had seen e-cigarette for sale in small shops in the last 30 days was 1.5 (95% confidence interval: 1.08 to 2.08).
168. The range of adjustments for the result includes supermarkets and therefore represents a conservative estimate for this option which would also restrict the display of vapes in supermarkets.
169. For the purposes of this illustrative analysis, it is assumed that this result would be the same across other products such as heated tobacco and nicotine products.
170. The results of this paper are combined with the analysis summarised in Table 19 and other sources of data to estimate the reduction in experimentation with vapes, heated tobacco and other nicotine products among those aged 11 to 17.

Vapes

171. To estimate the reduction in experimentation of young people with vaping products:
 - The fewer number of 11- to 17-year-olds in England not exposed to vape displays is used: 597,112.
 - The proportion of 11- to 17-year-olds who have never vaped and ever vaped^{116,117} are applied to get the number of those not exposed to vape displays that have never vaped, 460,152, and ever vaped, 136,960.
 - The odds of experimentation are calculated as the number that have ever vaped divided by the number that have never vaped to get an odds of ever vaping of 0.3.

¹¹⁶ ASH. 2024. Use of e-cigarettes among young people in Great Britain.

¹¹⁷ NHS Digital. 2024. Smoking, Drinking and Drug use among Young people in England, 2023.

- The inverse of the AOR of 1.5 is applied¹¹⁸ to the odds of ever vaping to get the new number of 11- to 17-year-olds who have ever vaped as 98,865, and never vaped as 498,247.
- The difference in experimentation between the baseline and Options 3 and 4 is calculated to be 38,094.

Table 20: Options 3 and 4, change in experimentation of vapes, 11- to 17-year-olds.

	Ever vaped	Never vaped
Baseline	136,960	460,152
Options 3 and 4	98,865	498,246
<i>Difference (between baseline and Options 3 and 4)</i>	<i>-38,094</i>	<i>38,094</i>

172. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced experimentation. Table 21 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as, in the lower scenario as, and upper scenario as.

Table 21: Options 3 and 4, change in experimentation with vapes, 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds experimenting with vapes	38,094	6,184	80,669

Heated tobacco

173. To estimate the reduction in experimentation of young people with heated tobacco products:

- The fewer number of 11- to 17-year-olds in England not exposed to vape displays is used: 416,528.
- The proportion of 11- to 17-year-olds who have never used heated tobacco and ever used heated tobacco¹¹⁹ are applied to get the number of those not exposed to heated

¹¹⁸ In the baseline, 11 to 17 year olds are currently exposed to vape displays, therefore the AOR of 1.5 is assumed to be the status quo, and inverted in order to be applied.

¹¹⁹ ASH. 2024. Use of e-cigarettes among young people in Great Britain.

tobacco displays that have never used heated tobacco, 405,282, and ever used heated tobacco 11,246.

- The odds of experimentation are calculated as the number of ever heated tobacco users divided by the number of never heated tobacco users to get an odds of ever using heated tobacco products as 0.03.
- The inverse of the AOR of 1.5 is applied¹²⁰ to the odds of ever using heated tobacco to get the new number of 11- to 17-year-olds who have ever used heated tobacco as 7,566, and never used heated tobacco as 405,282.
- The difference in experimentation between the baseline and Options 2, 3, and 4 is calculated to be 3,681.

Table 22: Options 2, 3 and 4, change in experimentation with heated tobacco, 11- to 17-year-olds.

	Ever used heated tobacco	Never used heated tobacco
Baseline	11,246	405,282
Options 2, 3 and 4	7,566	408,963
<i>Difference (between baseline and Options 2, 3 and 4)</i>	-3,681	3,681

174. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced experimentation. Table 23 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as, in the lower scenario as, and upper scenario as.

Table 23: Options 2, 3 and 4, change in experimentation with heated tobacco, 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds experimenting with heated tobacco	3,681	664	7,001

Nicotine pouches

175. To estimate the reduction in experimentation of young people for nicotine pouches:

¹²⁰ In the baseline, 11 to 17 year olds are currently exposed to vape displays, therefore the AOR of 1.5 is assumed to be the status quo, and inverted in order to be applied.

- The fewer number of 11- to 17-year-olds in England not exposed to nicotine pouches is used: 616,847.
- The proportion of 11- to 17-year-olds in who have never used nicotine pouches and ever used nicotine pouches¹²¹ are applied to get the number of those not exposed to nicotine pouches that have never used nicotine pouches, 596,491, and ever used nicotine pouches 20,356.
- The odds of experimentation are calculated as the number of ever nicotine pouches users divided by the number of never nicotine pouches users to get an odds of ever using nicotine pouches products as 0.03.
- The inverse of the AOR of 1.5 is applied¹²² to the odds of ever using nicotine pouches to get the new number of 11- to 17-year-olds who have ever used nicotine pouches as 13,721, and never used nicotine pouches as 603,125.
- The difference in experimentation between the baseline and Options 3 and 4 is calculated to be 6,634.

Table 24: Options 3 and 4, change in experimentation of nicotine pouches, 11- to 17-year-olds.

	Ever used nicotine pouches	Never used nicotine pouches
Baseline	20,356	596,491
Options 3 and 4	13,722	603,125
<i>Difference (between baseline and Options 3 and 4)</i>	-6,634	6,634

176. The confidence intervals around the central AOR are used to produce upper and lower estimates of reduced experimentation. Table 25 shows the number of fewer 11- to 17-year-olds exposed in the central scenario as, in the lower scenario as, and upper scenario as.

¹²¹ ASH. 2024. Use of e-cigarettes among young people in Great Britain.

¹²² In the baseline, 11 to 17 year olds are currently exposed to vape displays, therefore the AOR of 1.5 is assumed to be the status quo, and inverted in order to be applied.

Table 25: Options 3 and 4, change in experimentation with nicotine pouches, 11- to 17-year-olds (Central, Lower, and Upper estimates).

	Central	Lower	Upper
Fewer 11- to 17-year-olds experimenting with nicotine pouches	6,634	1,174	12,928

Summary – Experimentation

177. Table 26 summarises the reduction in experimentation for Options 3 and 4 across the products in scope where data was available. It is not possible to sum these estimates as the estimates do not account for those experimenting with multiple products, and these may be overestimates in the cases where data specifically on exposure via shops displays was not available.

Table 26: Options 3 and 4, summary of reduced experimentation.

Product, fewer number of 11- to - 17-year-olds experimenting	Central estimate	Lower estimate	Upper estimate
Vapes	38,094	6,184	80,669
Heated tobacco products	3,681	664	7,001
Nicotine pouches	6,634	1,174	12,928

Adults

178. The impact on adults is based on a study commissioned as part of the evaluation and post-implementation review of previous tobacco Display regulations.¹²³ This paper was commissioned by the Department of Health and Social Care through the NIHR to evaluate a number of tobacco control policies. One of the policies in scope was the Display regulations that came into force between 2010 and 2015.

179. It used data from both the Health Survey for England (HSE) and the Smoking Toolkit Study (STS), where data was available pre-implementation, through the implementation period (which was different for small and large shops), and post-implementation.

180. The main measures were smoking prevalence among those aged 16 and over, quit attempts and successes among those aged 16 and over, and cigarette consumption for those aged 16 and over. For the effect size for the IA, we will consider only the prevalence

¹²³ Langley and others. 2018. [A comprehensive evaluation of the impact of recent English tobacco control policy using secondary data.](#)

results as we do not have comparable data for vapes and other products for the other measures.

181. The study used interrupted time series analysis to estimate the impact the Display regulations had on prevalence in large and small shops separately. The total impact on prevalence after 1 and 2 years was presented from the best fitting models for each of the data sources.
182. The results of the estimated relative impact on prevalence for each of the data sources are shown below in Table 27 and Table 28 for large and small shops respectively. The central estimate is considered alongside the 95% confidence intervals in brackets (which are tested as scenarios in the sensitivity analysis).

Table 27: Relative effect on the proportion of smokers, Display regulations in large shops

Effect – Large shops	STS	HSE
Overall effect, 1 year	0.913 (0.850 – 0.918)	0.995 (0.990 – 0.999)
Overall effect, 2 years	0.812 (0.733 – 0.893)	0.933 (0.877 – 0.985)

Table 28: Relative effect on the proportion of smokers, Display regulations in small shops

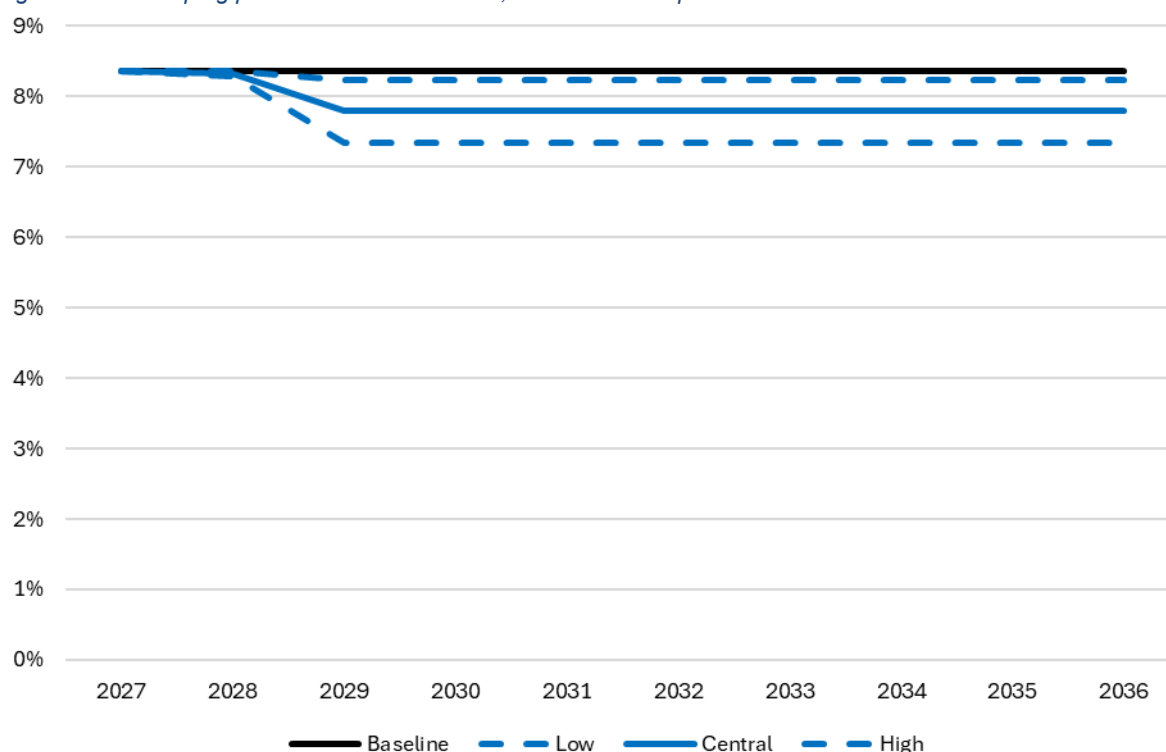
Effect – Small shops	STS	HSE
Overall effect, 1 year	0.956 (0.919 – 0.989)	1.019 (0.954 – 1.095)
Overall effect, 2 years	0.884 (0.796 – 0.970)	1.056 (0.879 – 1.283)

183. The results show a greater impact when considering the STS data compared with the HSE data. As a conservative estimate, **the results based on HSE are used**. For small shops, while there was a potentially minor increase in prevalence when considering HSE data, the confidence intervals span 1 (or no effect), and therefore **only the impact from large shops is considered**.
184. In Options 3 and 4, no adjustments to the results are made as this option closely aligns with the display regulations the study was evaluating.
185. Based on Table 27, the central impact scenario is a 0.5% reduction in prevalence after one year, increasing to a total reduction in prevalence of 6.7% after two years. No implementation or transition period is modelled, and due to the best fit model suggesting a

delay in impact of 6 months, the impact is expected in 2028 (1-year post-implementation) and fully realised in 2029.

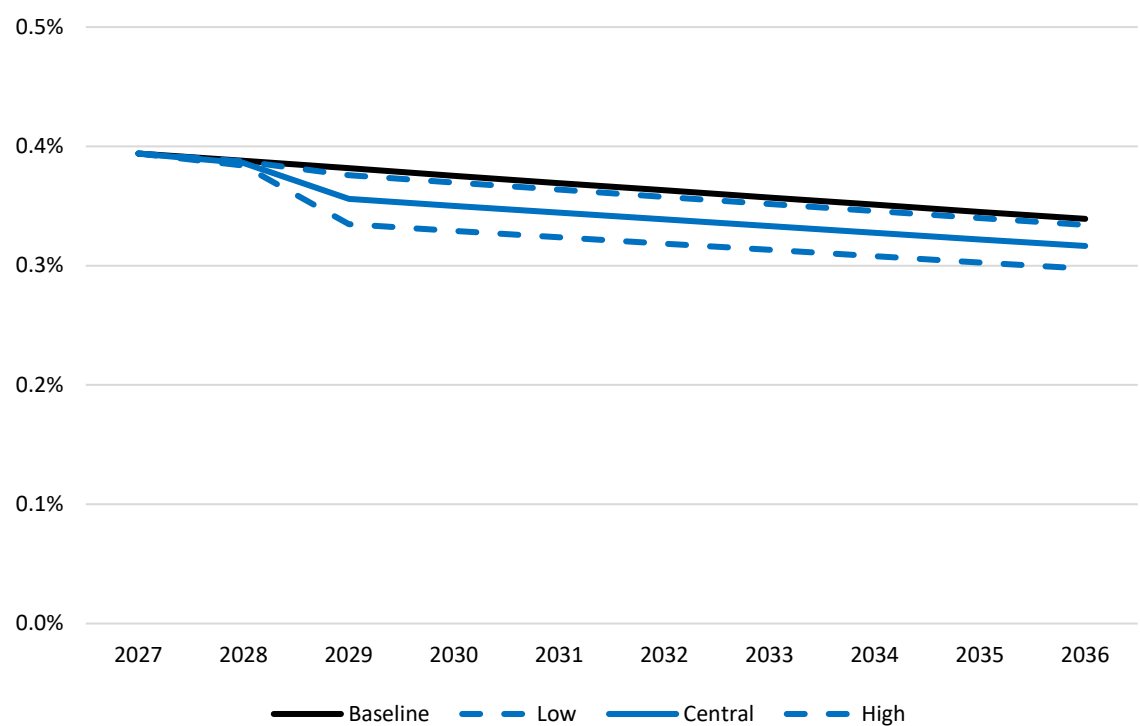
186. This central impact scenario is applied to each of the baselines discussed in the **Business as Usual: Baselines** section.
187. Figure 1, Figure 2, and Figure 3 below show the change in vaping prevalence, heated tobacco prevalence, and nicotine pouch prevalence in Options 3 and 4 (upper and lower estimates are based on the confidence intervals around the central impact scenario).
188. Vaping prevalence is estimated to fall from 8.36% in 2027 to 8.32% in 2028, and to 7.80% in 2029 and remain at this level until the end of the appraisal period. This equates to roughly 20,000 fewer people that vape in 2028, and around 270,000 fewer people that vape in 2029 and rising slowly each year up to the end of the appraisal period.

Figure 1: Adult vaping prevalence 2027 to 2036, Baseline and Options 3 and 4



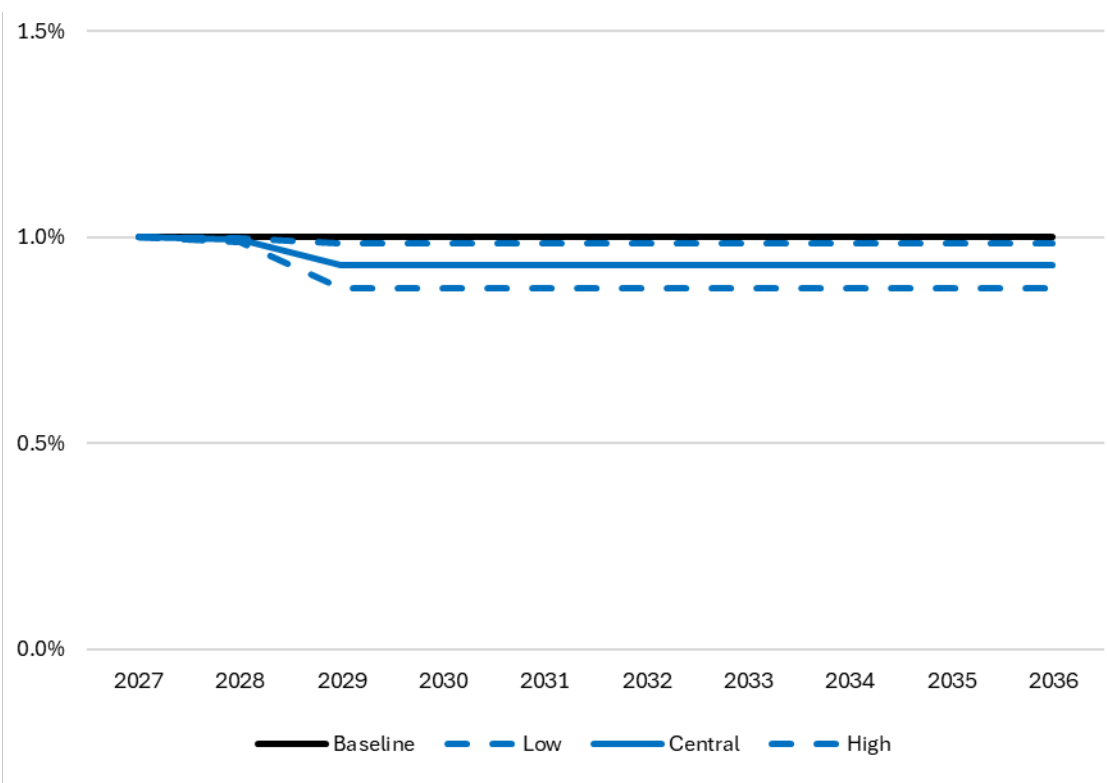
189. Accounting for the reduced population, for heated tobacco after 2027, heated tobacco prevalence is estimated to fall from 0.394% in 2027 to 0.384% in 2028, and to 0.335% in 2029 and decline slightly over the appraisal period. This equates to roughly 900 fewer heated tobacco users in 2028, and over 10,000 fewer heated tobacco users in 2029 and declining slowly each year up to the end of the appraisal period.

Figure 2: Adult heated tobacco prevalence 2027 to 2036, Baseline and Options 3 and 4



190. Nicotine pouch prevalence is estimated to fall from 1% in 2027 to 0.995% in 2028, and to 0.933% in 2029 and remain at this level until the end of the appraisal period. This equates to roughly 2,400 nicotine pouch users in 2028, and around 35,000 fewer nicotine pouch users in 2029 and rising slowly each year up to the end of the appraisal period.

Figure 3: Adult nicotine pouch prevalence 2027 to 2036, Baseline and Options 3 and 4

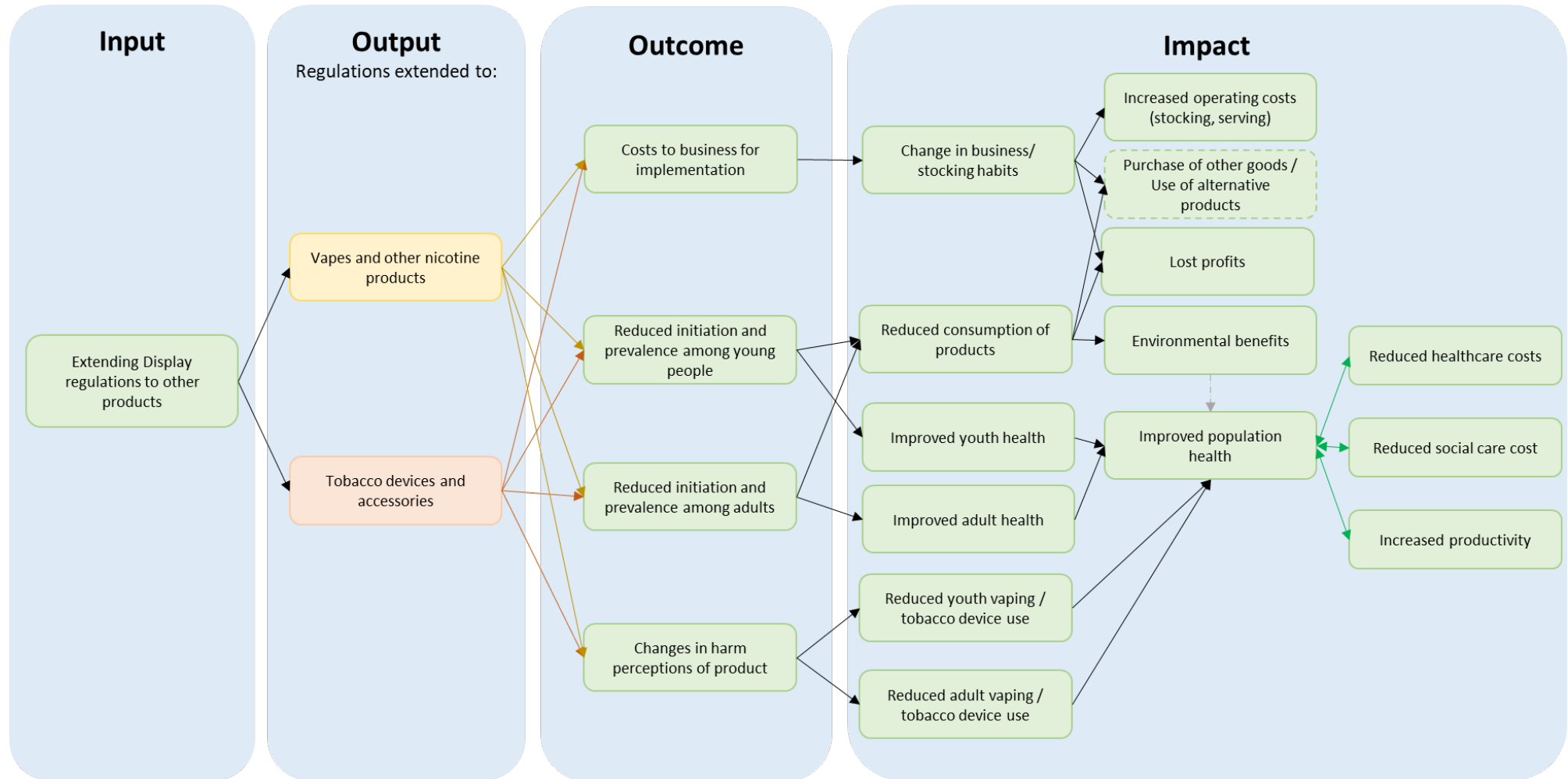


191. It has not been possible to consider the impact on any of the other products in scope.

Costs and benefits

192. Figure 4 shows the logic model for mirroring tobacco display restrictions to other products which was used to identify the costs and benefits. Vapes and nicotine products, tobacco related products and herbal smoking products are considered separately however they have broadly the same outcomes and impacts resulting from the policy's implementation.

Figure 4: Logic model for extending the Display regulations to other products, demonstrating the outcomes and impacts of the policy proposal



193. The expected costs and benefits for each option are outlined in Table 29.

194. For this IA, due to a lack of data and evidence, it has not always been possible to estimate the specific impacts that each option will have. For example, whilst we can assume that more stringent display regulations between Option 2 and Option 3 could deter more people from using the products in scope of the policy, we are unable to estimate a specific impact size. Where that is the case, the estimated costs or benefits are estimated and presented for all options together. Where it has been possible to provide different estimates for each option the estimate for each option is clearly set out.

Table 29: Summary of economic costs and benefits, by option

Impact	Option 2	Option 3	Option 4
Costs	Costs expected to be less than Option 3	<ul style="list-style-type: none"> Familiarisation costs (£2.2m) Storage costs (£27.6m) Restocking costs (£185.1m) Price list costs (£22.6m) Transaction costs (£43.1m) Lost profits (£536.8m) Health impacts for those using vapes or other nicotine products as a quit aid Reduction in tobacco and vaping product duty Reduction in VAT 	Costs expected to be at least as much as in Option 3.
Benefits	Benefits expected to be less than Option 3	<ul style="list-style-type: none"> Health benefits to individuals Reduced health and social care costs Reduced litter and associated costs Reduced fire costs Change in consumer surplus 	Benefits expected to be at least as large as Option 3
Transfers	Transfers expected to be less than Option 3	<ul style="list-style-type: none"> Reduction in vaping duty Reduction in tobacco duty Reduction in VAT 	Transfers expected to be at least as large as Option 3

195. If the policy is successful, the main benefits are anticipated to accrue through:

- Health benefits associated with reduced use of products in scope among young people
- Health benefits associated with reduced use of products in scope among adults
- Environmental benefits from reduced litter associated with fewer people using certain products in scope
- Reduced fire costs from battery powered devices in scope

196. The main categories of costs considered are:

- Familiarisation costs
- Storage costs
- Restocking costs
- Price list costs
- Transactions
- Lost profits

Non-monetised benefits

197. Due to level of evidence available on the harms associated with the products in scope there are no monetised benefits. Non-monetised benefits have been provided and, where possible, relevant evidence has been drawn upon to provide a sense of scale.

Health benefits associated with reduced tobacco and nicotine product experimentation among young people.

198. There are health risks associated with young people using heated tobacco, vaping and using other nicotine products as set out in the Context section.
199. Tobacco related devices including heated tobacco products are often marketed as a less harmful alternative to smoking cigarettes and other forms of tobacco¹²⁴, however they pose a significant health risk.
200. The evidence base and IA have demonstrated that this policy is expected to reduce the exposure and experimentation with heated tobacco products by young people. This could translate to reduced youth heated tobacco use however we have not been able to estimate this through quantitative analysis. If this were the case, prohibiting the display of heated tobacco devices to reduce the access and appeal of these products to young people could provide health benefits through reduced uptake of heated tobacco products among young people.

¹²⁴ Dewhirst. 2020. Co-optation of harm reduction by Big Tobacco.

201. In the Standardised Packaging for tobacco products Impact Assessment¹²⁵ it was estimated the discounted number of life years saved for each young person who does not take up smoking was 1.0. The analysis calculating this figure has not been updated as part of this IA and therefore may over or underestimate the life years gained by someone not taking up smoking in the present year.
202. Evidence suggests that almost two thirds of those experimenting with smoking at least temporarily progress to daily smoking¹²⁶. Taking a more conservative estimate in assuming that half the number of fewer young people experimenting with heated tobacco in Table 26 do not go on to regularly use these products, applying the life years saved from not taking up smoking demonstrates the potential benefits associated with this option.
203. Multiplying the number of fewer young people experimenting by 1.0 for the potential life years gained, and by the £70,000 value of a QALY, the discounted health benefits from could be as high as £130 million in the central scenario where almost 3,700 fewer young people experiment with heated tobacco products. This could range from just over £23 million in the lower scenario where just under 700 fewer young people experiment with heated tobacco products, to just under £250 million in the higher scenario where just over 7,000 fewer young people might experiment with heated tobacco products.
204. There are also health risks associated with young people vaping, mainly due to the presence of nicotine in vapes. In the Government of Canada regulatory impact analysis statement for the Tobacco and Vaping Products Act it was assumed that the mortality and morbidity risks associated with vaping are 20% of the mortality and morbidity impacts of cigarettes¹²⁷. This assumption was developed with members of an expert panel composed of five academics in tobacco control. This is considered further in the breakeven analysis.
205. It would not possible be to sum any estimates of health benefits across products as the estimates do not account for those experimenting with multiple products, and these may be overestimates in the cases where data specifically on exposure via shops displays was not available. However, this illustrates the potential benefits in this option for children and young people for heated tobacco products and is further explored in the breakeven analysis.

Health benefits associated with reduced tobacco and nicotine consumption among adults

206. In specific options, the prevalence of vaping and heated tobacco use is estimated to fall and therefore there could be health gains for individuals. If so, it is possible that demand on health and social care would be reduced
207. Based on preliminary NHS data for 2024/25, vaping is reported as the primary or secondary cause of around 280 hospital admissions per year¹²⁸. There is no equivalent for heated tobacco-related admissions.
208. The unit cost per day of NHS hospital beds in 2020/21¹²⁹ ranged from £345 for a standard bed to £2,349 for elective. Assuming every person admitted to hospital with vaping the

¹²⁵ DHSC. 2015. The Standardised Packaging of Tobacco Products Regulations 2015.

¹²⁶ Birge and others. 2018. What Proportion of People Who Try One Cigarette Become Daily Smokers? A Meta-Analysis of Representative Surveys.

¹²⁷ Government of Canada. 2021. Canada Gazette, Part 1, Volume 155, Number 25: Order Amending Schedules 2 and 3 to the Tobacco and Vaping Products Act (Flavours).

¹²⁸ NHS England. 2024. Hospital admissions for vaping-related disorders.

¹²⁹ UK Parliament. 2023. Hospital Beds: Costs.

primary or secondary cause only spent 1 day in hospital, the cost of 280 hospital admission bed costs could range from £96,600 to £657,720 in 2020/21.

209. It should be noted that this cost is illustrative and highly uncertain. In reality, this cost could differ based on length of stay, prevalence rates, population rates, or other external factors.

Environmental benefits from reduced litter associated with fewer people using vapes

210. With the reduction in the number of people using vapes it is likely there would be reduced litter from people disposing of vapes. Whilst the disposable vape ban has been put in place, there still could be some associated litter from reusable vapes such as the packaging, refill pods, e-liquid containers and coils.
211. Research by YouGov, commissioned by Material Focus¹³⁰ found that almost 5 million disposable vapes were either littered or thrown away in general waste every week. Data on the number of reusable vapes that are littered is not available.
212. Due to the lack of data on litter associated with reusable vapes, this impact has not been monetised. However, if reduced litter does arise as a result of these regulations, there would be environmental benefits.

Reduced fire costs from battery powered devices

213. If prevalence of tobacco related devices including heated tobacco, and vaping falls, we can assume the number of related fires may also fall. This will reduce the cost of a fire to the government.
214. Heated tobacco devices and vape devices often contain lithium-ion batteries. According to the National Fire Protection Association (NFPA)¹³¹, the likelihood of lithium-ion batteries overheating, catching on fire, or causing explosions increases when damaged, improperly used, charged or stored. If disposed of in household waste or recycling it can cause fires in transport landfill or recyclers.
215. In 2024, Material Focus¹³² estimated that number of battery fires in the waste system had increased to over 1,200 in the past year. It is estimated that 19% of lithium batteries placed on the market were accounted for by single use vapes¹³³.
216. Whilst it could be assumed rechargeable vapes, and heated tobacco devices are not disposed of at the same rate as disposable vapes were, there could still be a fire risk if not disposed of correctly.
217. The unit cost of a lithium-ion fire can be estimated through the Home Office estimates of the average cost of all fires in 2020, £45,900¹³⁴. In May 2025 the BBC¹³⁵ reported Essex Fire and Rescue have seen a rise in charger fires associated with reusable vapes, often because of unsafe charging.

¹³⁰ Material Focus. 2023. [Number of disposable single-use vapes thrown away have in a year quadrupled to 5 million per week.](#)

¹³¹ NFPA. 2025 [Lithium-Ion Battery Safety.](#)

¹³² Material Focus. 2024. [1,200 battery fires in the waste system reported last year.](#)

¹³³ Eunomia. 2023. [Analysis of the market for vapes: exploring the environmental impacts of single-use vapes.](#) Based on Environment Agency. 2023. [UK Portable Batteries Data Summary for the 2022 Compliance Period. Final.](#) and [Allied Market Research. 2021. Portable Battery Market Outlook-2030.](#)

¹³⁴ Home Office. 2023. [Economic and social cost of fire.](#)

¹³⁵ BBC. 2025. [Rechargeable vape fire warning ahead of disposable ban](#)

Consumer Surplus

218. Removal of desired features can be considered as a loss to the consumer, termed as a loss of 'consumer surplus'. However, due to the addictive nature of tobacco, nicotine and vaping products applying the concept of consumer surplus is more complex.
219. It is expected that rational consumers would consider a trade-off between the utility gained from use of products in scope and the health harms of using these products. Activities that make products less appealing, such as removal of display, would alter the trade-off and a lower level of product use would become optimal. However, with addictive products such as those in scope of this legislation, from the first use, individuals can lose autonomy through addiction to nicotine. For example, many of those that smoke tobacco would like to stop smoking with 55.9% of current smokers in the UK in 2023 intending to quit.¹³⁶ However, it can take many attempts to quit: a study based in Canada suggests that on average smokers of cigarettes attempt to quit 29.6 times before successfully quitting.¹³⁷ Therefore, the trade-off between the utility and harms of smoking may not be based on rational decisions but influenced by addiction that many would like to be free from.
220. Furthermore, for addictive goods, branding can act as a cue that can stimulate cravings¹³⁸. Removing this cue by removing the display of these products can help those that use the products in scope identify their true preferences of consumption.
221. Therefore, measuring the impact of the restrictions on display on consumer surplus is highly uncertain. We acknowledge that under 'rational choice' assumptions, the removal of display may result in a loss of consumers surplus. However, it can also be argued that becoming free of addiction improves consumer surplus. Given the level of uncertainty of the direction and scale of impact of restrictions on display on consumer surplus, it has not been quantified in this analysis.

Monetised costs

Identified costs

222. Through evaluation of previous regulations on the display of tobacco products and the development of a logic model for these options, the following costs have been identified:
- Familiarisation costs
 - These would apply to businesses who sell the products in scope of all options, which would include supermarkets and large shops, convenience and small shops, specialist tobacconists, wholesalers (including bulk tobacconists), vape shops, some pharmacies, other shops, and services.
 - Storage costs
 - These would apply to businesses who sell the products in scope of this option which would include supermarkets and large shops, convenience and small shops, wholesalers (including bulk tobacconists), and vape shops.

¹³⁶ ONS. 2024. Adult smoking habits in the UK - Office for National Statistics.

¹³⁷ Chaiton and others. 2016. Estimating the number of quit attempts it takes to quit smoking successfully in a longitudinal cohort of smokers.

¹³⁸ Chantler and others. 2014. Standardised packaging of tobacco: Report of the independent review undertaken by Sir Cyril Chantler.

- Restocking costs
 - These would apply to businesses who sell the products in scope of this option which would include supermarkets and large shops, convenience and small shops, wholesalers (including bulk tobacconists) and vape shops.
- Price list costs
 - These would apply to businesses who sell the products in scope of this option which would include supermarkets and large shops, convenience and small shops, wholesalers (including bulk tobacconists), and vape shops.
- Transactions
 - These would apply to businesses who sell the products in scope of this option.
- Lost profits
 - This would apply to businesses in the supply chain for the products in scope of this option and would include retailers, wholesalers, and manufacturers.

223. These costs are estimated and presented for all options together and differences are highlighted throughout and in summary tables where applicable.

Identified stakeholders

224. Based on the identified costs above, the following stakeholders were identified that may incur costs, and the number of these are described here:

- Supermarkets and large shops.
 - There are 5,831 supermarkets and large shops in the UK¹³⁹ that may stock other tobacco products and devices, vapes and other nicotine products. Based on ONS mid-year population estimates¹⁴⁰, the population of England makes up 84.6% of the population of the UK, therefore we scale the number of supermarkets and large shops in the UK by this to get 4,934 in England.
- Convenience and smalls shops
 - There are 50,486 convenience and small shops in Great Britain¹⁴¹ that may stock other tobacco products and devices, and vapes and other nicotine products. Based on ONS mid-year population estimates¹⁴⁰, the population of England makes up 87% of the population of the Great Britain, therefore we

¹³⁹ IGD. 2025. UK Grocery store numbers 2024.

¹⁴⁰ ONS. 2025. [Population estimates for England and Wales - Office for National Statistics](#)

¹⁴¹ ACS. 2025. [Local shop report 2025](#).

scale the number of convenience and small shops in Great Britain by this to get 43,940 in England.

- Specialist tobacconists
 - There are an estimated 1,697 retailers of tobacco in specialised stores in the UK.¹⁴² Based on ONS mid-year population estimates¹⁴⁰, the population of England makes up 84.6% of the population of the UK, therefore we scale the number of retailers of tobacco in specialised stores in the UK by this to get 1,436 in England.
- Wholesalers (including bulk tobacconists)
 - There are an estimated 3,906 specialised and non-specialised wholesalers of tobacco in the UK¹⁴³. We assume that bulk tobacconists will be captured within this stakeholder group. Based on ONS mid-year population estimates¹⁴⁰, the population of England makes up 84.6% of the population of the UK, therefore we scale the number of wholesalers of tobacco in the UK by this to get 3,305 in England. It is assumed that all wholesalers stocking tobacco products would also stock vaping and other nicotine products.
- Vape shops
 - According to a 2022 Cebr report for the UK Vaping Industry Association, there were 3,573 number of vape shops in the UK¹⁴⁴. Based on ONS mid-year population estimates¹⁴⁰, the population of England makes up 84.6% of the population of the UK, therefore we scale the number of vape shops in the UK by this to get 3,023 in England.
- Pharmacies, other shops, and services.
 - There are 10,405 pharmacies in England that may stock other non-medicinally licensed nicotine products¹⁴⁵. We do not currently have any evidence of any other shops and services selling tobacco devices and accessories and vapes and other nicotine products.
- Manufacturers

225. Unless otherwise stated, for each stakeholder identified for a cost, the numbers outlined for England above are used to estimate the total costs.

¹⁴² ONS. 2025. Non-financial business economy, UK: Sections A to S.

¹⁴³ ONS. 2025. Non-financial business economy, UK: Sections A to S.

¹⁴⁴ Cebr. 2022. Economic impact assessment of the vaping industry.

¹⁴⁵ NHSBSA. 2024. General Pharmaceutical Services in England 2015-16 – 2023-24.

Non-wage labour costs

226. Many of the costs identified are a time cost associated with complying with this option. In order to estimate the costs, the hourly wage of relevant persons for each cost are sourced from the Annual Survey of Hours and Earnings¹⁴⁶.
227. These only represent the wage costs of the employees, and there are additional hourly costs associated with employment (such as national insurance contributions).
228. To account for this additional cost, the proportion of labour costs that are non-wage costs are estimated using the Index of Labour Costs per hour, seasonally adjusted¹⁴⁷.
229. The labour costs per hour across the whole economy in 2020 Q3 was reported to be £22.80. The wage costs per hour across the whole economy in 2020 Q3 was reported to be £19.20. Based on this, the non-wage labour costs are calculated as 1 minus the wage costs per hour divided by the labour costs per hour, or 16%.

$$\text{Non – wage labour cost} = 1 - \frac{19.2}{22.8} = 16\%$$

230. To uplift hourly wage to account for this non-wage labour cost, wages are divided by 1 minus the non-wage labour cost of 16%, or multiplied by 1.19.

$$\text{Wage uplift} = \frac{1}{1 - 16\%} = 1.19$$

231. Throughout the monetised costs section, where this figure is applied, it is described as an ‘uplift of 19% to account for non-wage labour costs’.

Familiarisation costs

232. Familiarisation costs would apply to all those stocking for sale products in scope of the options and includes the cost to familiarise themselves with the new guidance, regulations, and implementation requirements.
233. To estimate this cost, the number of people reading new guidance is multiplied by the estimated time taken to read the guidance, and then by the average hourly wage.
234. It is assumed that one person per business would be required to familiarise themselves with the guidance.
235. Previous guidance for regulations on the Display of tobacco was around 7,000 words long¹⁴⁸.
236. Based on technical text reading speed, it is estimated that people responsible for reading the guidance will read approximately 75 words per minute¹⁴⁹.

¹⁴⁶ ONS. 2024. Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14.

¹⁴⁷ ONS. 2020. Index of Labour Costs per Hour, seasonally adjusted.

¹⁴⁸ Department of Health and CTSI. 2015. Guidance on the display and pricing of tobacco products in England, for tobacco retailers and enforcement officers.

¹⁴⁹ EFTEC. 2013. Evaluating the cost savings to business from revised EA guidance – method paper. (As quoted in <https://assets.publishing.service.gov.uk/media/5a8234f8e5274a2e8ab580e8/business-impact-target-guidance-appraisal.pdf>).

237. Based on paragraphs 235 and 236, it is estimated that it would take around one and a half hours to fully read the guidance.

238. The familiarisation cost is the same across all options, as all identified stakeholders would be required to read the guidance in any case.

Supermarkets and large shops

239. A median hourly wage for 'Shopkeepers and owners – Retail and wholesale' of £15.40 in 2024 prices is used as the closest wage rate for supermarkets and large shops. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £18.24.

240. Multiplying the final hourly wage of £18.24 by the one and a half hours required to read guidance, and by the 4,934 supermarkets and large shops in England, the final familiarisation cost for supermarkets and large shops is estimated to be £140,000 shown in Table 30.

Table 30: Familiarisation costs for supermarkets and large shops

Option	Cost
Options 2, 3, and 4	£140,000

Convenience and small shops

241. A median hourly wage for 'Shopkeepers and owners – Retail and wholesale' of £15.40 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £18.24.

242. Multiplying the final hourly wage of £18.24 by the one and a half hours required to read guidance, and by the 43,940 convenience and small shops in England, the final familiarisation cost for convenience and small shops is estimated to be £1,200,000 shown in Table 31.

Table 31: Familiarisation costs for convenience and small shops

Option	Cost
Options 2, 3, and 4	£1,200,000

Specialist tobacconists

243. A median hourly wage for 'Shopkeepers and owners – Retail and wholesale' of £15.40 in 2024 is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £18.24.

244. Multiplying the final hourly wage of £18.24 by the one and a half hours required to read guidance, and by the 1,436 retailers of tobacco in specialised shops in England, the final familiarisation cost for retailers of tobacco in specialised shops is estimated to be £41,000 shown in Table 32.

Table 32: Familiarisation costs for specialist tobaccoconists

Option	Cost
Options 2, 3, and 4	£41,000

Wholesalers (including bulk tobaccoconists)

245. A median hourly wage for ‘Shopkeepers and owners – Retail and wholesale’ of £15.40 in 2024 is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £18.24.
246. Multiplying the final hourly wage of £18.24 by the one and a half hours required to read guidance, and by the 3,305 wholesalers of tobacco in England, the final familiarisation cost for wholesalers of tobacco is estimated to be £94,000.

Table 33: Familiarisation costs for wholesalers (including bulk tobaccoconists)

Option	Cost
Options 2, 3, and 4	£94,000

Vape shops

247. A median hourly wage for ‘Shopkeepers and owners – Retail and wholesale’ of £15.40 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £18.24.
248. Multiplying the final hourly wage of £18.24 by the one and a half hours required to read guidance, and by the 3,023 vape shops in England, the final familiarisation cost for vape shops is estimated to be £86,000 shown in Table 34

Table 34: Familiarisation costs for vape shops

Option	Cost
Options 2, 3, and 4	£86,000

Pharmacies, other shops, and services

249. A median hourly wage for ‘Pharmacists’ of £25.70 in 2024 prices is used based on the assumption that the majority of pharmacies are small and micro businesses and likely to be owned by a pharmacist. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £30.52.
250. Multiplying the final wage of £30.52 by the one and a half hours required to read guidance, and by the 10,405 pharmacies in England, the final familiarisation cost for pharmacies is estimated to be £565,000 shown in Table 35.

Table 35: Familiarisation costs for pharmacies, other shops, and services

Option	Cost
Options 2, 3, and 4	£565,000

Trading Standards

251. There are an estimated 197 Trading Standards services in the UK, scaled down to an estimated 166 in England. These have an estimated 9.4 trading standards officers each, totalling an estimated 1,565 officers.
252. A median hourly wage for 'Community and civil enforcement occupations' of £16.27 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £19.32.
253. Multiplying the final wage of £19.32 by the 1.56 hours required to read guidance, and by the 1,565 trading standards officers in England, the final familiarisation cost for Trading Standards is estimated to be £47,000 shown in Table 36.

Table 36: Familiarisation costs for trading standards

Option	Cost
Options 2, 3, and 4	£47,000

Total familiarisation cost

254. The total familiarisation costs are £2.2m for England in Options 2, 3 and 4. Table 37 shows the estimated total cost of familiarisation alongside a breakdown by retailer type, as well as an illustrative cost when applying a UK scaler based on ONS mid-year population estimates¹⁴⁰.

Table 37: Total familiarisation costs, Options 2, 3 and 4. Totals may not sum due to rounding.

Business	Cost
Supermarkets and large shops	£140,000
Convenience and small shops	£1,200,000
Specialist tobacconists	£41,000
Wholesalers (including bulk tobacconists)	£94,000
Vape shops	£86,000

Pharmacies, other shops, and services	£565,000
Trading Standards	£47,000
Total, England	£2,200,000
<i>Total, UK</i>	<i>£2,600,000</i>

Storage costs

255. Storage costs would apply to retailers selling products in scope to the end consumer and includes the cost for retailers to comply with regulations such as purchasing new storage for products or adapting and updating current storage.
256. To estimate this cost the number of businesses requiring new or updated storage is multiplied by the estimated cost for storage.
257. The cost of storage is dependent on the business type, as some may require more or less storage to comply with this option. There are a number of different types of storage available which businesses may use to store products.¹⁵⁰ The following have been adjusted to 2024 prices:
- Under counter storage, ranging from £85 to £120 – an average of £99 is used.
 - Drawer units, ranging from £349 to £432 – an average of £372.01 is used.
 - Display cabinets, ranging from £595 to £716 – an average of £632.16 is used.
258. The monetised storage costs are the same across all options, as all identified stakeholders would be required purchase compliant storage as applicable. Between Option 2 and Option 3 stakeholders would be required to purchase the same type of storage, but the visibility of products would be different (transparent vs opaque), and it is assumed there is no difference in cost at this stage. Between Option 3 and Option 4, it is assumed that the actual implementation by businesses would be effectively the same in most instances, with the exception of vape shops. It has not been possible to estimate the additional burden on vape shops as a result of specifying products must be behind the counter.

Supermarkets and large shops

259. It is assumed that supermarkets and large shops with more space available may opt to install additional display cabinets, rather than employ under counter or separate drawer storage.
260. It is assumed that supermarkets and larger shops may only need one additional display cabinets to comply with requirements in this option.

¹⁵⁰ Based on a range of storage available from Easysshelf. [Tobacco Stand Cigarette Display Stand](#). (accessed July 2025).

261. Multiplying the cost of a display cabinet of £632.16 by the number of supermarkets in England of 4,934, the final storage cost for supermarkets is estimated to be £3 million shown in Table 38.

Table 38: Storage costs, supermarkets and large shops

Option	Cost
Options 2, 3, and 4	£3,000,000

Convenience and small shops

262. It is assumed that convenience and small shops will opt for additional storage with a smaller footprint and up-front cost. This could include under counter storage or drawer units rather than additional display cabinets. Additionally, industry may provide funding for small retailers for storage similar to when the previous display regulations were introduced^{151, 152, 153}. Based on this, cost of display storage for convenience and small shops is taken as an average of:

- £0 where industry funds the cost of the storage, £99 where under counter storage is used, and £360.12 where additional drawer units are used. Each option is assumed equally likely.

263. The final cost for storage for convenience and small shops is estimated at £151.20.

264. Multiplying the cost of storage of £151.20 by the number of convenience and small shops in England of 43,940, the final storage cost for convenience and small shops is estimated to be £6.6 million shown in Table 39.

Table 39: Storage costs, convenience and small shops

Option	Cost
Options 2, 3, and 4	£6,600,000

Specialist tobacconists

265. The rules around storage in this option would mirror the regulations for tobacco when considering specialist tobacconists, with all current exemptions applying for products in scope.

266. Tobacco must not be visible from outside the shop but may be visible inside the shop, and this would subsequently apply to all products in scope for specialist tobacconists.

267. Based on this, it is likely that no new storage or additional/updated storage would be required in this option. Specialist tobacconists would be required to remove from outside

¹⁵¹ The Kings Fund. 2019. Understanding the impact of display ban regulations on small business: qualitative research.

¹⁵² Rooke and others. 2010. Tobacco point of sale displays in England: A snapshot survey of current practices.

¹⁵³ Stead and others. 2018. Tobacco companies' use of retailer incentives after a ban on point-of-sale tobacco displays in Scotland.

display, the additional products in scope in this option, however it is assumed that any costs associated with this are minimal.

Wholesalers (including bulk tobacconists)

268. The rules around display in the options would be amended by the regulations for tobacco when considering wholesalers – specifically those operating as bulk tobacconists.

Currently:

- Tobacco must be kept separate from other products such that it is not visible, or required to be visible when accessing any other products.

269. However, this exemption does not stop these products from being viewed in certain settings, including children and young people.

270. Removing the exemption for bulk tobacconists would mean those wholesalers that are open to the public and operating under the bulk tobacconist exemption (for example duty free areas) would be required to remove from display tobacco products currently covered by the regulations, and all products now in scope.

271. It has not been possible to find the specific number of wholesalers operating as bulk tobacconists. Without this evidence, the total number of wholesalers has been used to estimate costs, acting as an upper bound for the number of businesses affected. This is highly likely to be an overestimate as:

- Many wholesalers operate under the trade exemption (allowing legitimate display in the course of business for those within the industry) and are not open to the public.
- Many wholesalers will not currently be operating as bulk tobacconists, therefore the costs will overestimate the total burden that would be faced by this group of businesses.

272. It has not been possible to find an exact cost of compliance for the storage costs, therefore a cost of £1,000 per business has been assumed. This will be tested at consultation.

273. Multiplying the storage cost of £1,000 per wholesaler by the 3,305 wholesalers (including bulk tobacconists) in England, the final storage cost is estimated to be £3.2 million shown in Table 40.

Table 40: Storage costs, wholesalers (including bulk tobacconists)

Option	Cost
Options 2, 3, and 4	£3,200,000

Vape shops

274. It is assumed that vape shops would require significantly more storage to comply with the requirements in this option. It is likely that storage in multiple forms would be required. Therefore, it is assumed that both drawer units and cabinets would be required, at a cost of £1,004.18 per drawer/cabinet combination.

275. The size of vape shops varies, therefore as a conservative option it is assumed that 5 drawer/cabinet combinations would be required for storage on average per vape shop.
276. Multiplying the storage cost of £1,004.18 by 5, and by the 3,023 vape shops in England, the final storage cost for vape shops is estimated to be £14,700,000 shown in Table 41.
277. This cost is the same for this stakeholder in all options, under the assumption that for Option 2, vapes and other nicotine products on display but not accessible would still require new storage, and for Options 3 and 4, vapes and other nicotine products not on display and not accessible would require new storage.
278. In Option 4, there may also be additional costs to re-configure or change shop layouts to comply with the option, however it has not been possible to estimate this at this time. Therefore, Option 4 would be considered at least as burdensome as Option 3, with potentially increases storage costs to this stakeholder.

Table 41: Storage costs, vape shops

Option	Cost
Options 2, 3, and 4	£14,700,000

Pharmacies, other shops, and services

279. Based on the current layout and how many pharmacies already have space behind the counter where products are not on display (which would comply with the options), we do not estimate any additional cost to install, or update these businesses in this option. There may be some rearrangement and removal of products already on display, however any costs are assumed to be minimal. The exemptions considered across the options also suggest that no additional storage costs would be incurred.
280. We do not currently have any evidence of any other shops and services selling tobacco devices and accessories.

Total storage costs

281. The total storage costs are £27.6 million for England. Table 42 shows the estimated total cost of storage alongside a breakdown by retailer type, as well as an illustrative cost when applying a UK scaler based on ONS mid-year population estimates.

Table 42: Options 2, 3, and 4, storage costs. Totals may not sum due to rounding.

Business	Cost
Supermarkets and large shops	£3,000,000
Convenience and small shops	£6,600,000
Specialist tobacconists	£0 / Not applicable

Wholesalers (including bulk tobacconists)	£3,200,000
Vape shops	£14,700,000
Pharmacies, other shops, and services	£0 / Not applicable
Total, England	£27,600,000
<i>Total, UK</i>	<i>£32,600,000</i>

Restocking costs

282. Restocking costs would apply to retailers selling products in scope to the end consumer and includes the additional cost for staff to regularly assess and replenish stock levels of products now removed from display.
283. To estimate this cost the number of people required to assess and replace stock levels of products is multiplied by the time required to assess and replenish stock, and by the hourly wage cost.
284. It is assumed that one person per business would be required to assess and replenish stock.
285. Based on the impact assessment for the Display (2010) regulations¹⁵⁴, it is assumed that it takes an additional one hour per week to assess and replace stock for all products in scope in this option.
286. For retailers that are already subject to the Display (2010) regulations the additional restocking time is halved, based on current requirements and familiarity with restocking.
287. The restocking costs are the same across all options, as all identified stakeholders would have increased transaction times as a result whether products remained on display or not.

Supermarkets and large shops

288. Based on an additional one hour per week of restocking, the 4,934 supermarkets and large shops in England, and adjusted by a half, the total additional number of hours of additional restocking time is estimated to be 128,121 per year.
289. A median hourly wage for 'Sales Assistants and Retail Cashiers' of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.
290. Multiplying the final hourly wage of £14.20 by the additional number of restocking hours per year gives an annual undiscounted restocking cost of £1.82 million, and a total undiscounted restocking cost of £18.2 million. Discounting this in line with HMT Green

¹⁵⁴ The Tobacco Advertising and Promotion (Display) (England) Regulations 2010.

Book guidance, the total discounted restocking cost over the appraisal period is estimated to be £15.7 million shown in Table 43.

Table 43: Restocking costs, supermarkets and large shops

Option	Cost
Options 2, 3, and 4	£15,700,000

Convenience and small shops

291. Based on an additional one hour per week of restocking, the 43,940 convenience and small shops in England, and adjusted by a half, the total additional number of hours of additional restocking time is estimated to be 1,107,122 per year.
292. A median hourly wage for ‘Sales Assistants and Retail Cashiers’ of £11.96 in 2024 prices is used. However, in some smaller convenience shops it may be the shopkeeper, therefore this may be an underestimate in some cases. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.
293. Multiplying the final hourly wage of £14.20 by the additional number of restocking hours per year gives an annual undiscounted restocking cost of £15.7 million, and a total undiscounted restocking cost of £157 million. Discounting this in line with HMT Green Book guidance, the total discounted restocking cost over the appraisal period is estimated to be £139.7 million shown in Table 44.

Table 44: Restocking costs, convenience and small shops

Option	Cost
Options 2, 3, and 4	£139,700,000

Vape shops

294. Based on an additional one hour per week of restocking, the 3,023 vape shops in England, the total additional number of hours of additional restocking time is estimated to be 157,015 per year.
295. A median hourly wage for ‘Sales Assistants and Retail Cashiers’ of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.
296. Multiplying the final hourly wage of £14.20 by the additional number of restocking hours per year gives an annual undiscounted restocking cost of £2.2 million, and a total undiscounted restocking cost of £22.3 million. Discounting this in line with HMT Green Book guidance, the total discounted restocking cost over the appraisal period is estimated to be £19.2 million shown in Table 45.

Table 45: Restocking costs, vape shops

Option	Cost
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Options 2, 3, and 4	£19,200,000
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Pharmacies, other shops, and services

297. It is assumed that since pharmacies already operate a lot of business behind the counter, pharmacies would not incur the same burdens as other retailers for end consumers, and therefore no estimate is made for restocking costs for pharmacies.

Wholesalers (including bulk tobacconists)

298. As a result of removing the exemption for bulk tobacconists in these options, wholesalers (including bulk tobacconists) are assumed to now incur additional restocking costs.

299. It has not been possible to find the specific number of wholesalers operating as bulk tobacconists. Without this evidence, the total number of wholesalers has been used to estimate costs, acting as an upper bound for the number of businesses affected. This is highly likely to be an overestimate as:

- Many wholesalers operate under the trade exemption (allowing legitimate display in the course of business for those within the industry) and are not open to the public.
- Many wholesalers will not currently be operating as bulk tobacconists, therefore the costs will overestimate the total burden that would be faced by this group of businesses.

300. Based on an additional one hour per week of restocking, the 3,305 wholesalers in England, the total additional number of hours of additional restocking time is estimated to be 85,928 per year.

301. A median hourly wage for 'Sales Assistants and Retail Cashiers' of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.

Multiplying the final hourly wage of £14.20 by the additional number of restocking hours per year gives an annual undiscounted restocking cost of £1.2 million, and a total undiscounted restocking cost of £12.2 million. Discounting this in line with HMT Green Book guidance, the total discounted restocking cost over the appraisal period is estimated to be £10.5 million shown in Table 46.

Table 46: Restocking costs, wholesalers (including bulk tobacconists)

Option	Cost
Options 2, 3, and 4	£10,500,000

Total restocking costs

302. The total restocking costs are £185.1 million. Table 47 shows the estimated total cost of familiarisation alongside a breakdown by retailer type, as well as an illustrative cost when applying a UK scaler based on ONS mid-year population estimates¹⁴⁰.

Table 47: Options 2, 3, and 4 discounted restocking costs. Totals may not sum due to rounding.

Business	Cost
Supermarkets and large shops	£15,700,000
Convenience and small shops	£139,700,000
Wholesalers (including bulk tobacconists)	£10,500,000
Vape shops	£19,200,000
Total, England	£185,100,000
<i>Total, UK</i>	<i>£218,700,000</i>

Price list costs

303. Price list costs would apply to retailers selling products in scope to the end consumer and includes the additional cost for staff to regularly maintain an accurate price and stock list when products are not visible.
304. To estimate this cost the number of people required to maintain an accurate price and stock list is multiplied by the time required to maintain an accurate price and stock list, and by the hourly wage cost.
305. It is assumed that one person per business would be required to maintain an accurate price and stock list.
306. Based on the impact assessment for the Display (2010) regulations¹⁵⁵, it is assumed that it takes an additional half an hour per month to maintain an accurate price and stock list for all products in scope in this option.
307. For retailers that are already subject to the regulations the additional price list maintenance time is halved, based on current requirements and familiarity with price list maintenance.

Supermarkets and large shops

308. Based on an additional one-half hour per month of price list maintenance, the total additional number of hours of price list maintenance time is estimated to be 14,783 per year for the 4,934 supermarkets and large shops in England, adjusted by a half.
309. A median hourly wage for 'Sales Assistants and Retail Cashiers' of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.

¹⁵⁵ [The Tobacco Advertising and Promotion \(Display\) \(England\) Regulations 2010](#)

310. Multiplying the final hourly wage of £14.20 by the additional number of price list maintenance hours per year gives an annual undiscounted price list maintenance cost of £210,000, and a total undiscounted price list maintenance cost of £2.1 million. Discounting this in line with HMT Green Book guidance, the total discounted price list maintenance cost over the appraisal period is estimated to be £1.8 million shown in Table 48.

Table 48: Price list costs, supermarkets and large shops

Option	Cost
Option 2	£0
Options 3 and 4	£1,800,000

Convenience and small shops

311. Based on an additional one half hour per month of price list maintenance, the 43,940 convenience and small shops in England, and adjusted by a half, the total additional number of hours of price list maintenance is estimated to be 127,745 per year.
312. A median hourly wage for ‘Sales Assistants and Retail Cashiers’ of £11.96 in 2024 prices is used. However, in some smaller convenience shops it may be the shopkeeper, therefore this may be an underestimate in some cases. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.
313. Multiplying the final hourly wage of £14.20 by the additional number of price list maintenance hours per year gives an annual undiscounted price list maintenance cost of £1.8 million, and a total undiscounted price list maintenance cost of £18.1 million. Discounting this in line with HMT Green Book guidance, the total discounted price list maintenance cost over the appraisal period is estimated to be £16.1 million shown in Table 49.

Table 49: Price list costs, convenience and small shops

Option	Cost
Options 2	£0
Options 3 and 4	£16,100,000

Wholesalers (including bulk tobacconists)

314. Based on an additional one half hour per month of price list maintenance, the 3,305 wholesalers in England, the total additional number of hours of price list maintenance is estimated to be 19,830 per year.
315. It has not been possible to find the specific number of wholesalers operating as bulk tobacconists. Without this evidence, the total number of wholesalers has been used to estimate costs, acting as an upper bound for the number of businesses affected. This is highly likely to be an overestimate as:

- Many wholesalers operate under the trade exemption (allowing legitimate display in the course of business for those within the industry) and are not open to the public.
- Many wholesalers will not currently be operating as bulk tobacconists, therefore the costs will overestimate the total burden that would be faced by this group of businesses.

316. A median hourly wage for ‘Sales Assistants and Retail Cashiers’ of £11.96 in 2024 prices is used. However, in some smaller convenience shops it may be the shopkeeper, therefore this may be an underestimate in some cases. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.

317. Multiplying the final hourly wage of £14.20 by the additional number of price list maintenance hours per year gives an annual undiscounted price list maintenance cost of £0.3 million, and a total undiscounted price list maintenance cost of £2.8 million. Discounting this in line with HMT Green Book guidance, the total discounted price list maintenance cost over the appraisal period is estimated to be £2.4 million shown in Table 50.

Table 50: Price list costs, wholesalers (including bulk tobacconists)

Option	Cost
Options 2, 3 and 4	£2,400,000

Vape shops

318. In Option 2, vape shops would still be allowed to display products and their prices therefore there would be no additional cost, and they are assumed to not sell heated tobacco products.

319. For Options 3 and 4, based on an additional one half hour per month of price list maintenance, the 3,023 vape shops in England, the total additional number of hours of price list maintenance time is estimated to be 18,117 per year.

320. A median hourly wage for ‘Sales Assistants and Retail Cashiers’ of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.

321. Multiplying the final hourly wage of £14.20 by the additional number of price list maintenance hours per year gives an annual undiscounted price list maintenance cost of £260,000, and a total undiscounted price list maintenance cost of £2.6 million. Discounting this in line with HMT Green Book guidance, the total discounted price list maintenance cost over the appraisal period is estimated to be £2.2 million.

Table 51: Price list costs, vape shops

Option	Cost
Option 2	£0

Options 3 and 4	£2,200,000
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Total price list cost

322. The total price list maintenance costs in Option 2 are £2.4 million, and in Options 3 and 4 are £22.6 million. Table 52 shows the estimated total cost of price list maintenance alongside a breakdown by retailer type, as well as an illustrative cost when applying a UK scaler based on ONS mid-year population estimates¹⁴⁰.

Table 52: Options 3 and 4, discounted price list maintenance cost. Totals may not sum due to rounding.

Business	Cost
Supermarkets and large shops	£1,800,000
Convenience and small shops	£16,100,000
Wholesalers (including bulk tobacconists)	£2,400,000
Vape shops	£2,200,000
Total, England	£22,600,000
<i>Total, UK</i>	<i>£26,700,000</i>

Transactions costs

323. Transaction costs would apply to retailers selling products in scope to the end consumer and includes the additional cost for staff to access products no longer visible and accessible to customers.

324. To estimate this cost the additional time required to serve customers is multiplied by the hourly wage cost, and by the number of transactions each year.

325. Based on the Display (2010) regulations¹⁵⁶, an additional serving time of 2 seconds per transaction is used.

326. There would also be a cost to consumers as a result of an increase in the time taken for them to be served products. It can be estimated by multiplying the increase in transaction time by the value of leisure time, as estimated using Department for Transport TAG data book¹⁵⁷ which estimates the perceived cost per hour for non-working person using their time for 'other purposes' e.g. not commuting is £7.32 (in 2024 prices). Using this value makes no wider assumptions on what a consumer's time is worth based on their wage and

¹⁵⁶ [The Tobacco Advertising and Promotion \(Display\) \(England\) Regulations 2010](#)

¹⁵⁷ Department for Transport. 2018. [TAG data book](#).

represents a consistent and fair approach to monetising additional transaction costs to consumers.

327. The number of transactions per year per user for each product is estimated as:

- **88** for vapes, based on the average spend on vaping products and the average cost of different vaping systems.
- **183** for heated tobacco, based on an average consumption of 10 sticks per day¹⁵⁸, totalling 3,650 per year, sold in packs of 20. One additional transaction per year is included to account for heated tobacco device replacement.
- **156** for nicotine pouches, based on a consumption rate of 3 packs of nicotine pouches per week¹⁵⁹.

328. The total number of users of each product in this option is based on the Baseline and Impact of Option sections.

329. Over the 10-year appraisal period, the number of transactions of:

- Vapes is estimated to be 3.3 billion in the central impact scenario, ranging from roughly 3.5 billion in the low impact scenario to 3.2 billion in the high impact scenario.
- Heated tobacco is estimated to be 109 million in the central impact scenario, ranging from roughly 114 million in the lower impact scenario and 103 million in the high impact scenario.
- Nicotine pouches is estimated to be 730 million in the central impact scenario, ranging from 760 million in the low impact scenario to 690 million in the high impact scenario.

330. Data on the proportion of vape, heated tobacco, and nicotine pouch transactions that happen in specific retail environments is not available, therefore the overall impact on retailers is considered.

331. A median hourly wage for 'Sales Assistants and Retail Cashiers' of £11.96 in 2024 prices is used. An uplift of 19% to account for non-wage labour costs is applied to this to give a final hourly wage of £14.20.

332. Multiplying the final hourly wage of £14.20 by the number of transactions per year, and by the additional transaction time of two seconds gives a total undiscounted additional transaction. Discounting this in line with HMT Green Book guidance, the total discounted transaction cost over the appraisal period is estimated to be £28.4 million in Options 3 and 4.

¹⁵⁸ Based on consumption being equivalent to cigarette consumption, and HSE. 2023. [Health Survey for England, 2022 Part 1](#).

¹⁵⁹ Reported on various manufacturer and retailer websites.

333. Multiplying the value of leisure time of £7.32 by the number of transactions per year, and by the additional transaction time of two seconds gives a total undiscounted additional transaction cost of £15.5 million to consumers. Discounting this in line with HMT Green Book guidance, the total discounted transaction cost over the appraisal period is estimated to be £14.6 million.
334. The total number of transactions is different in Option 2 compared to Options 3 and 4. There would be additional transactions in Option 2 as there would be no impact on the sales of vapes.

Total transactions cost

335. Table 53 shows the estimated total additional transaction costs, as well as an illustrative cost when applying a UK scaler based on ONS mid-year population estimates¹⁴⁰.

Table 53: Option 2, 3 and 4, additional transaction costs.

Business	Option 2, Cost (£)	Options 3 and 4, Cost (£)
Businesses	£30,000,000	£28,400,000
Consumers	£15,500,000	£14,600,000
Total, England	£45,400,000	£43,100,000
<i>Total, UK</i>	<i>£54,000,000</i>	<i>£51,000,000</i>

Lost profits

336. Lost profits would apply to any business in the supply chain of products in scope, and includes the cost of impacts on the total revenue of products in scope from a reduction in the number of people using products in turn reducing sales and profits.
337. This option is estimated to reduce the number of adults who use heated tobacco, vapes, and other nicotine products like pouches.
338. Lost profits are estimated for products where data on the spend and approximate profit margins at various steps in the supply chain of these products is available: retailers, wholesalers, and manufacturers.
339. The lost profits are calculated by multiplying the number of fewer people using products by the average annual spend of those products to get total lost revenue and then, for each stakeholder outlined above, the proportion of total revenue that is profits.

Vapes

Profit as a percentage of revenue

340. To calculate the profit as a percentage of revenue:

- Assuming a total revenue of 1, the profit margin for the top level stakeholder is applied. This is the absolute profit. This is then removed from the total price to estimate the cost for that stakeholder.
- The profit margin for the next level of stakeholder is applied and similarly removed, and this is repeated to get the absolute profit and cost for all stakeholders involved.
- The absolute profit for each stakeholder is then divided by the total revenue of 1 to get the profit as a percentage of total revenue.

341. For vapes, the profit margins for retailers (45%), wholesalers (12%) and manufacturers (15%) are based on assumptions used and tested by Defra.¹⁶⁰

342. Table 54 shows the figures for each step of the calculations, and the final profit as a percentage of total revenue for retailers (45%), wholesalers (6.6%) and manufacturers (7.3%).

Table 54: Vapes, calculating profit as a percentage of total revenue).

Stakeholder	Profit margin	Profit (absolute)	Cost for stakeholder	Profit (percentage of total revenue)
Retailers	45%	0.450	0.550	45%
Wholesalers	12%	0.066	0.484	6.6%
Manufacturers	15%	0.073	0.411	7.3%

Fewer number of people that vape

343. The number of fewer people that vape each year in this option is outlined in **Impact of option: Adults** as the change in prevalence, and is calculated as the number of fewer people that vape in the central scenario of this option compared with the baseline.

344. Table 55 below shows the baseline number of vapers, the central scenario number of vapers, and the difference between them.

Table 55: Number of vapers, baseline, central scenario, and the difference

Year	Baseline	Central scenario	Difference
2027	3,987,740	3,987,740	-
2028	4,016,620	3,996,537	20,083

¹⁶⁰ Defra. 2024. Ban on the sale and supply of disposable vapes in England.

2029	4,048,056	3,776,836	271,220
2030	4,079,781	3,806,435	273,345
2031	4,109,565	3,834,224	275,341
2032	4,137,516	3,860,303	277,214
2033	4,164,718	3,885,682	279,036
2034	4,191,896	3,911,039	280,857
2035	4,217,018	3,934,478	282,540
2036	4,240,443	3,956,334	284,110

Total lost revenue

345. The total lost revenue for vapes is only applicable in Option 3 and 4.

346. The total lost revenue is calculated by multiplying the number of fewer vapers in the 'Difference' column in Table 55 by the average yearly spend by vapers.

347. The yearly average spend by vapers on re-usable vapes is estimated to be £378.49 in 2024 price.

348. Table 56 below shows the undiscounted lost revenue each year for the vape industry. Discounting this in line with HMT Green Book guidance provides the discounted lost revenue.

Table 56: Vapes, undiscounted and discounted total lost revenue

Year	Undiscounted lost revenue (£)	Discounted lost revenue (£)
2027	£ -	£ -
2028	£7,600,000	£7,400,000
2029	£102,800,000	£95,900,000
2030	£103,600,000	£93,400,000
2031	£104,300,000	£90,900,000

2032	£105,000,000	£88,400,000
2033	£105,700,000	£86,000,000
2034	£106,400,000	£83,700,000
2035	£107,100,000	£81,300,000
2036	£107,700,000	£79,000,000
Total	£850,300,000	£706,100,000

Nicotine pouches

Profit as a percentage of revenue

349. Specific data on profit margins for nicotine pouches are not available, however as they constitute 'Other nicotine products', it is assumed that they are similar to vapes, and therefore the profits as a percentage of revenue for vapes are applied to nicotine pouches. These are shown in Table 54.

Fewer number of nicotine pouch users

350. The number of fewer vapers each year in this option is outlined in **Impact of option: Adults** as the change in prevalence, and is calculated as the number of fewer nicotine pouch users in the central scenario of this option compared with the baseline.

351. Table 57 below shows the baseline number of nicotine pouch users, the central scenario number of nicotine pouch users, and the difference between them.

Table 57: Number of nicotine pouch users, baseline, central scenario, and the difference

Year	Baseline (millions)	Central scenario (millions)	Difference (millions)
2027	0.48	0.48	-
2028	0.48	0.48	-
2029	0.48	0.45	0.03
2030	0.49	0.46	0.03
2031	0.49	0.46	0.03

2032	0.50	0.46	0.03
2033	0.50	0.47	0.03
2034	0.50	0.47	0.03
2035	0.51	0.47	0.03
2036	0.51	0.47	0.03

Total lost revenue

352. The total lost revenue for nicotine pouches is only applicable in Options 3 and 4.

353. The total lost revenue is calculated by multiplying the number of fewer vapers in the 'Difference' column in Table 57 by the average yearly spend by vapers.

354. The yearly average spend by nicotine pouches users on nicotine pouches is estimated to be £840.04 in 2024 prices.¹⁶¹

355. Table 58 below shows the undiscounted lost revenue each year for the vape industry. Discounting this in line with HMT Green Book guidance provides the discounted lost revenue.

Table 58: Nicotine pouches, total undiscounted and discounted lost revenue

Year	Undiscounted lost revenue (£)	Discounted lost revenue (£)
2027	£ -	£ -
2028	£ 2,000,000.00	£ 2,000,000.00
2029	£ 27,300,000.00	£ 25,500,000.00
2030	£ 27,500,000.00	£ 24,800,000.00
2031	£ 27,700,000.00	£ 24,200,000.00
2032	£ 27,900,000.00	£ 23,500,000.00
2033	£ 28,100,000.00	£ 22,900,000.00

¹⁶¹ Based on the average price of nicotine pouches of £5.38 per 20, the number purchased per week 3 packs of 20, and multiplying the weekly spend up by 52 weeks in a year.

2034	£ 28,300,000.00	£ 22,200,000.00
2035	£ 28,400,000.00	£ 21,600,000.00
2036	£ 28,600,000.00	£ 21,000,000.00
Total	£ 225,900,000.00	£ 187,600,000.00

Heated tobacco

Profit as a percentage of revenue

356. The estimated profit margin for retailers of heated tobacco was reported to be 9.2% among small retailers in 2022 in evidence provided by ASH.¹⁶² This figure is used as the profit as a percentage of revenue.
357. The estimated profit per pack for wholesalers was estimated to be £0.16 in 2014 prices in the Standardised Packaging of Tobacco impact assessment. Dividing this by the average price of a pack of cigarettes in 2014 of £8.40 puts the profit as a percentage of revenue for wholesalers at 1.90%.
358. The estimated profit per pack for manufacturers was estimated to be £0.22 in 2013 in the Standardised Packaging of Tobacco impact assessment. Dividing this by the average price of a pack of cigarettes in 2013 of £7.76 puts the profit as a percentage of revenue for manufacturers at 2.84%. As this is based on data from 2013, and there has since been changes to prices and tax rate of tobacco products, there is a risk this does not reflect current profit margins.

Table 59: Heated tobacco, profit as a percentage of revenue

Stakeholder	Profit as a percentage of revenue
Retailers	9.2%
Wholesalers	1.90%
Manufacturers	2.84%

Fewer number of heated tobacco users

359. The number of fewer heated tobacco users each year in this option is outlined in **Impact of option: Adults** as the change in prevalence, and is calculated as the number of fewer heated tobacco users in the central scenario of this option compared with the baseline.
360. Table 60 below shows the baseline number of heated tobacco users, the central scenario number of heated tobacco users, and the difference between them.

¹⁶² Public Bill Committee on Tobacco and Vapes. 2025. [Written evidence on the retail licensing and product registration powers in the Bill submitted by Action on Smoking and Health: Appendix 1: Analysis of EPOS data from small retailers in the United Kingdom in 2019 and 2022.](#)

Table 60: Number of heated tobacco users, baseline, central scenario, and the difference

Year	Baseline (millions)	Central scenario (millions)	Difference (millions)
2027	0.19	0.19	-
2028	0.19	0.19	-
2029	0.19	0.17	0.01
2030	0.18	0.17	0.01
2031	0.18	0.17	0.01
2032	0.18	0.17	0.01
2033	0.18	0.17	0.01
2034	0.18	0.16	0.01
2035	0.17	0.16	0.01
2036	0.17	0.16	0.01

Total lost revenue

361. The total lost revenue is calculated by multiplying the number of fewer heated tobacco users in the 'Difference' column in Table 60 by the average yearly spend by heated tobacco users.
362. The yearly average spend by heated tobacco users on heated tobacco is estimated to be £1,199.75 in 2024 prices.¹⁶³
363. Table 61 below shows the undiscounted lost revenue each year for the tobacco industry. Discounting this in line with HMT Green Book guidance provides the discounted lost revenue.

Table 61: Heated tobacco, total undiscounted and discounted lost revenue

Year	Undiscounted lost revenue (£m)	Discounted lost revenue (£m)
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¹⁶³ Based on an average annual device spend of £39.05 based on desk research and an annual heated tobacco spend of £1,161 based on 10 sticks a day at £0.30 per stick.

2027	£ -	£ -
2028	£ 1.00	£ 1.00
2029	£ 15.00	£ 14.00
2030	£ 15.00	£ 13.00
2031	£ 15.00	£ 13.00
2032	£ 14.00	£ 12.00
2033	£ 14.00	£ 12.00
2034	£ 14.00	£ 11.00
2035	£ 14.00	£ 11.00
2036	£ 14.00	£ 10.00
Total	£ 116.00	£ 97.00

Lost profits by stakeholder

Retailers

364. Data on the proportion of vape, heated tobacco, and nicotine pouch transactions that happen in specific retail environments is not available, therefore the overall impact on retailers is considered.
365. Retailer lost profit is estimated by multiplying the percentage of total revenue for retailers of each product, by the total lost revenue for each product.
366. For vapes, the estimated discounted lost revenue over the 10-year appraisal period is £706 million, and the profit as a percentage of revenue is 45%. Based on this the loss in profits for retailers for vapes is estimated to be £318 million.
367. For nicotine pouches, the estimated discounted lost revenue over the 10-year appraisal period is £187 million, and the profit as a percentage of revenue is 45%. Based on this the loss in profits for retailers for nicotine pouches is estimated to be £84 million.
368. For heated tobacco, the estimated discounted lost revenue over the 10-year appraisal period is £97 million, and the profit as a percentage of revenue is 9.2%. Based on this, the loss in profits for retailers for heated tobacco is estimated to be £8.9 million.
369. In Option 2, only lost profits relating to heated tobacco are considered. In Options 3 and 4, lost profits for vapes, heated tobacco, and nicotine pouches are considered. These are shown in Table 62.

Table 62: Lost profits, retailers

Option	Cost (£)
Option 2	£8,900,000
Options 3 and 4	£411,100,000

Wholesalers

370. Wholesaler lost profit is estimated by multiplying the percentage of total revenue for Wholesalers of each product, by the total lost revenue for each product.
371. For vapes, the estimated discounted lost revenue over the 10-year appraisal period is £706 million, and the profit as a percentage of revenue is 6.6%. Based on this the loss in profits for Wholesalers for vapes is estimated to be £47 million.
372. For nicotine pouches, the estimated discounted lost revenue over the 10-year appraisal period is £187 million, and the profit as a percentage of revenue is 6.6%. Based on this the loss in profits for Wholesalers for nicotine pouches is estimated to be £12.4 million.
373. For heated tobacco, the estimated discounted lost revenue over the 10-year appraisal period is £97 million, and the profit as a percentage of revenue is 1.9%. Based on this, the loss in profits for Wholesalers for heated tobacco is estimated to be £1.8 million.
374. In Option 2, only lost profits relating to heated tobacco are considered. In Options 3 and 4, lost profits for vapes, heated tobacco, and nicotine pouches are considered. These are shown in Table 63.

Table 63: Lost profits, wholesalers

Option	Cost (£)
Option 2	£1,800,000
Options 3 and 4	£61,000,000

Manufacturers

375. Manufacturer lost profit is estimated by multiplying the percentage of total revenue for manufacturers of each product, by the total lost revenue for each product.
376. For vapes, the estimated discounted lost revenue over the 10-year appraisal period is £706 million, and the profit as a percentage of revenue is 7.3%. Based on this the loss in profits for manufacturers for vapes is estimated to be £51 million.
377. For nicotine pouches, the estimated discounted lost revenue over the 10-year appraisal period is £187 million, and the profit as a percentage of revenue is 7.3%. Based on this the loss in profits for manufacturers for nicotine pouches is estimated to be £12.4 million.

378. For heated tobacco, the estimated discounted lost revenue over the 10-year appraisal period is £97 million, and the profit as a percentage of revenue is 2.8%. Based on this, the loss in profits for manufacturers for heated tobacco is estimated to be £2.7 million. While this is monetised, it is not included in the totals for this option due to no manufacturers of tobacco being based in England.
379. In Option 2, only lost profits relating to heated tobacco are considered. In Options 3 and 4, lost profits for vapes, heated tobacco, and nicotine pouches are considered. These are shown in Table 64.

Table 64: Lost profits, manufacturers

Option	Cost (£)
Option 2	£2,700,000
Options 3 and 4	£67,600,000

Total monetised lost profits

Table 65: Total lost profits by stakeholder. Totals may not sum due to rounding.

Business	Option 2, Cost (£)	Options 3 and 4, Cost (£)
Retailers	£8,900,000	£411,100,000
Wholesalers	£1,800,000	£61,000,000
Manufacturers	N/A	£67,600,000
Total, England	£10,700,000	£536,800,000
<i>Total, UK</i>	<i>£12,700,000</i>	<i>£634,400,000</i>

380. For tobacco manufacturers, we have assumed that loss in profits are mostly borne by transnational tobacco companies, not based in the UK. Data from the ONS Annual Business Counts¹⁶⁴ provides data that there are 5 tobacco manufacturers in the UK in 2024. Whilst we think it is unlikely that these are heated tobacco manufacturers, it is possible that they produce these products.
381. However, we do not have sufficient evidence to estimate what proportion of profit loss could be applicable to these businesses to estimate the proportion of lost profits for UK

¹⁶⁴ ONS Nomis. 2024. UK Business Counts - enterprises by industry and employment size band.

based tobacco manufacturers. Therefore, profit losses to tobacco manufacturers are not considered to be in the total costs, whereas profit losses to vape manufacturers are.

382. For retailers and wholesalers, the estimated lost profits from reduced sales of products in scope have been included in the total costs. Retailers and wholesalers, especially those that specialise in products in scope, such as specialist tobacconists and vape shops, may not be able to offset the reduced profits from the sale of products in scope through the sale or distribution of alternative goods.

Non-monetised costs

383. We have identified several costs as a result of this policy, which due to a lack of data and evidence we have not been able to monetise.
384. Additional evidence, including on any non-monetised costs that have not been captured, will be reassessed during the consultation process.

Health impacts for those using vapes or other nicotine products as quit aids

385. The potential impact section showed that adults that vape could be affected by a restriction on vaping and nicotine product display. This could include a proportion of adults that use vapes as a smoking quit aid. ASH reported^{165,178} that 2.7 million people in Britain used a vape as a quit aid in the last five years.
386. Evidence has found that vaping poses a small fraction of the risks of smoking¹⁷⁹ and vapes can be an effective tool in supporting smoking cessation, especially when combined with expert support¹⁶⁶. Therefore, an unintended consequence of the regulations could be that fewer adults use vapes as smoking cessation tools and hence continue to smoke.
387. There would be costs to individuals if they continue to smoke. This includes health costs, such as, increased risk of heart disease, stroke and heart failure¹⁶⁷.
388. However, due to limited data and evidence it has not been possible to estimate the potential number of individuals that would no longer quit smoking or return to smoking as a result of display restrictions. However, the effects of this will be mitigated through the continued government efforts to support smoking cessation through a range of support services, as well as public awareness media campaigns. For example, an additional £70 million has been provided this year to support local authority-led Stop Smoking Services (SSS) in England, and we have continued funding the national Swap to Stop scheme (swapping cigarettes for vapes) and Smoke-free Pregnancy Incentives Scheme. In conjunction, we plan to explore a partial exemption for community pharmacies at consultation, that would further support people in these settings to make informed decisions to swap from tobacco products to vaping or nicotine products. The Government also continues to undertake public health campaigns supporting adult smokers to quit such as via Stoptober.

VAT transfer

389. Vapes and heated tobacco devices are also subject to Value Added Tax (VAT). As we would expect there to be a reduction in sales of vapes and other nicotine products as a

¹⁶⁵ ASH. 2024. [Nearly 3 million people in Britain have quit smoking with a vape in the last 5 years.](#)

¹⁶⁶ OHID. 2022. [Nicotine vaping in England: 2022 evidence update.](#)

¹⁶⁷ Boyce and others. 2022. [Electronic cigarettes for smoking cessation.](#)

result of the regulations, we would also expect there to be a reduction in tax revenue, from VAT.

390. However, this reduction in tax revenue represents a transfer from government collecting the revenue to consumers paying the VAT. The consumers that no longer vape or use other nicotine products benefit from an increase in the amount they can spend on other goods or services. This reduction in tax revenue does not directly make society as a whole better or worse off.
391. On this basis, and in line with Green Book guidance, the reduction in tax revenue is not included in the total monetised.

Duty transfers

Vape duty

392. At Autumn budget 2024, the Government confirmed Vaping Products Duty would be introduced from 1 October 2026. The duty will be a flat rate of £2.20 per 10ml of vaping liquid, applied to all vaping products. Given that we expect standardising vape devices to reduce the prevalence and hence consumption of vape products, this would likely have a knock-on effect and reduce the total revenue collected as part of the duty.
393. This represents a transfer from the government collecting this tax to the people in society previously paying the tax. The people that no longer vape because of this policy benefit from an increase in the amount they can spend on other goods and services, and the government loses an equal amount that they can spend. Therefore, this reduction in tax revenue does not make society as a whole better or worse off.
394. On this basis, and in line with HMT's Green Book¹⁶⁸, the reduction in tobacco duty has not been included in the total monetised costs.

Tobacco duty

395. HTP are subject to the Tobacco Products Duty¹⁶⁹. 'Tobacco for heating' is subject to a duty rate of £343.91 per kg. Given that we expect various measures to reduce the prevalence and hence consumption of heated tobacco products, this will have a knock-on effect on the total revenue collected as part of the duty.
396. This reduction in the tobacco products duty revenue represents a transfer from the government collecting this tax to the people in society previously paying the tax. The people that no longer use heated tobacco products because of this policy benefit from an increase in the amount they can spend on other goods and services, and the government loses an equal amount that they can spend. Therefore, this reduction in tax revenue does not make society as a whole better or worse off.
397. On this basis, and in line with HMT's Green Book¹⁷⁰, the reduction in tobacco duty has not been included in the total monetised costs.

¹⁶⁸ HMT. 2022. The Green Book.

¹⁶⁹ HMRC. Tobacco Products Duty.

¹⁷⁰ HMT. 2022. The Green Book.

398. Additional evidence, including on any non-monetised costs that have not been captured, will be collected during the consultation process.

Cost-benefit summary

399. Table 66 and Table 67 below shows the cost-benefit summaries for Options 2, and Options 3 and 4. The figures are the totals over the 10 year appraisal period.

Table 66: Cost-benefit summary, Option 2

Cost / Benefit	Description	Estimate (£)
Cost	Familiarisation	£2,200,000
Cost	Storage	£27,600,000
Cost	Restocking	£185,100,000
Cost	Transactions	£45,400,000
Cost	Price lists	£2,400,000
Cost	Lost profits	£10,700,000

Table 67: Cost-benefit summary, Options 3 and 4

Cost / Benefit	Description	Estimate (£)
Cost	Familiarisation	£2,200,000
Cost	Storage	£27,600,000
Cost	Restocking	£185,100,000
Cost	Price list	£22,600,000
Cost	Transactions	£43,100,000
Cost	Lost profits	£536,800,000

Break-even analysis

400. For this measure it has been possible to estimate the costs to businesses to implement the measure, while the benefits such as improved health outcomes and reduced demand on services are harder to quantify. Break-even analysis provides a way of identifying the level of benefits required to offset the quantified costs and assess the

point at which an intervention would deliver value even when the precise monetisation of the benefits is not possible.

Calculating the break-even point

401. To calculate the break-even point the overall costs which includes the monetised costs and benefits is taken and divided by the potential health benefits associated with children not taking up the products in scope, or adults quitting using the products in scope.
402. The evidence and analysis used to estimate the health benefits is outlined in the non-monetised benefits section and comes from previous tobacco and vaping impact assessments for the number of QALYs and the Government of Canada for the relative health harms of vaping. This is used to produce a range of 'QALY gain' values to calculate break-even points against the monetised costs.
403. For children, the estimated QALY gain values are:
- 1 QALY, for children not taking up tobacco products¹⁷¹
 - 0.2 QALY, for children not taking up vaping and nicotine products¹⁷²
404. For adults, the estimated QALY gain values are:
- 0.74 QALY, for adults quitting tobacco products¹⁷³
 - 0.148 QALY, for adults quitting vaping and nicotine products¹⁷⁴
405. The Green Book places a value of £70,000 on a QALY.

Break-even results

406. Based on the total costs of -£273.4m in Option 2 and -£817.3m in Options 3 and 4, Table 68 below shows the number of fewer children and young people required to not take up each of the products in scope, or adults required to quit, to break even.

Table 68: Break-even scenario results

Break-even scenario	Option 2	Option 3	Option 4
Children not taking up vaping or nicotine products	19,528	58,378	58,378

¹⁷¹ Based on DHSC. 2015. [The Standardised Packaging of Tobacco Products Regulations 2015](#).

¹⁷² Based on DHSC. 2015. [The Standardised Packaging of Tobacco Products Regulations 2015](#) and Government of Canada. 2021. [Canada Gazette, Part 1, Volume 155, Number 25: Order Amending Schedules 2 and 3 to the Tobacco and Vaping Products Act \(Flavours\)](#).

¹⁷³ Based on DHSC. 2023. [Tobacco pack inserts](#).

¹⁷⁴ Based on DHSC. 2023. [Tobacco pack inserts](#) and Government of Canada. 2021. [Canada Gazette, Part 1, Volume 155, Number 25: Order Amending Schedules 2 and 3 to the Tobacco and Vaping Products Act \(Flavours\)](#).

Children not taking up tobacco products	3,906	11,676	11,676
Adults quitting vaping or nicotine products	N/A	78,889	78,889
Adults quitting tobacco products	5,278	15,778	15,778

407. Realistically, the break-even point will more likely be a combination of all of the above, which would reduce the number required in each of the break-even scenarios above.
408. In the preferred option, the estimated fewer number of adults using heated tobacco products (compared to the baseline) was just over 12,000 in the central scenario. For vaping and nicotine products this was roughly 300,000. While not all of these would specifically be quitters, based on the assumption that the impact will be a combination of quitters and additional benefits for reduced uptake among children and young people across these products, the break-even analysis demonstrates that the point at which costs would be covered falls below the estimated effect size.

Sensitivity analysis

409. Given there are uncertainties throughout the IA we have tested some of the key assumptions in sensitivity analysis. This includes:
410. There are uncertainties throughout the IA, the key assumptions where identified have been tested through sensitivity analysis. These have been identified as:
- Vape baseline methodology
 - Tested in the sensitivity analysis by using a different methodology
 - Heated tobacco baseline
 - Tested in the sensitivity analysis using a higher prevalence rate
 - Impact size
 - Testing higher and lower scenarios of impact
 - Profit margins
 - Tested in the sensitivity analysis using an alternative profit margin for vapes
411. Unless otherwise stated, sensitivity analysis is conducted using Option 3 as the central scenario. Costs and benefits in Option 4 would be expected to be at least as much as in Option 3.

Vape baseline methodology

412. In the vape baseline the impact of the ban on disposables that came into force in June 2025 has been accounted for by assuming that some users of disposables move to reusables (51%), some quit using vapes completely (20%), and some move to other products (29%). This produces a slight drop in vaping prevalence, but data to assess the impact is not currently available.

413. To test this in sensitivity, a scenario where all users of disposables switch to reusables is used. This results in no drop in prevalence, and a large number of vapers and therefore increased spend in the sensitivity baseline.

414. Table 69 below shows the prevalence, number of users, and estimated spend in this sensitivity scenario. The figures are estimated for England.

Table 69: Vape baseline sensitivity, baseline prevalence, number of vapers and estimated total spend, England

Year	Alternate vape baseline prevalence	Estimated number of vapers (alternate vape baseline scenario) millions	Estimated total spend (alternate vape baseline scenario, £bn)
2027	9.80%	4.68	1.77
2028	9.80%	4.71	1.78
2029	9.80%	4.75	1.80
2030	9.80%	4.79	1.81
2031	9.80%	4.82	1.83
2032	9.80%	4.86	1.84
2033	9.80%	4.89	1.85
2034	9.80%	4.92	1.86
2035	9.80%	4.95	1.87
2036	9.80%	4.98	1.88

415. This scenario impacts the following costs:

- Transactions

- Lost profits

416. Using the same methodology for transactions and lost profits above, Table 70 shows the costs in this scenario compared with the central scenario. These cover only vape transactions and lost profits, and all stakeholders.

Table 70: Vape baseline sensitivity analysis - Transaction costs and Lost Profits

Cost	Option 3 (£)	Sensitivity – Alternate vape baseline scenario (£)
Transactions	£33,100,000	£38,800,000
Lost profits	£416,000,000	£487,200,000

Heated tobacco baseline

417. Recent evidence suggests that heated tobacco prevalence may be rising¹⁷⁵ despite historic prevalence rates of much less than 1%.¹⁷⁶ Based on a number of surveys and studies, an upper value of 0.9% has been chosen to test in this sensitivity analysis.

418. This higher prevalence rate would change the overall revenue for heated tobacco products as well as the number of transactions each year.

419. Applying this figure of 0.9% in the heated tobacco baseline (using the same methodology, excluding the population under the age of sale from 2027 onwards) produces the following estimated number of heated tobacco product users. Similarly, applying the central impact scenario produces the following estimated number of heated tobacco product users.

Table 71: Heated tobacco sensitivity analysis, modelled number of users and prevalence

Year	Population over the age of sale, England millions	Estimated number of heated tobacco users (high sensitivity scenario) millions	Modelled heated tobacco prevalence (high sensitivity scenario)
2027	47.0	0.42	0.900%
2028	46.6	0.42	0.900%
2029	46.3	0.42	0.900%

¹⁷⁵ Lavery and others. 2021. Prevalence and reasons for use of Heated Tobacco Products (HTP) in Europe: an analysis of Eurobarometer data in 28 countries.

¹⁷⁶ UCL. Smoking Toolkit Study: Prevalence of vape and heated tobacco use.

2030	45.9	0.41	0.900%
2031	45.4	0.41	0.886%
2032	45.0	0.40	0.873%
2033	44.5	0.40	0.859%
2034	44.1	0.40	0.845%
2035	43.6	0.39	0.831%
2036	43.1	0.39	0.817%

420. Using the same assumptions around consumption and spend, total revenue from 2027 to 2036 is estimated in this sensitivity scenario.

Table 72: Heated tobacco sensitivity analysis, estimated total revenue

Year	Estimated total heated tobacco spend (high sensitivity scenario, £m)
2027	508
2028	504
2029	500
2030	495
2031	491
2032	486
2033	481
2034	476
2035	471
2036	465

421. Using the same central impact scenario of a 0.5% reduction in prevalence in year one, increasing to 6.3% by year 2 and remaining at this level, Table 73 shows the estimated number of heated tobacco users in the sensitivity scenario baseline and sensitivity impact scenario.

Table 73: Heated tobacco sensitivity analysis, baseline and central scenario number of users

Year	Baseline (high sensitivity scenario, millions)	Central scenario (high sensitivity scenario, millions)	Difference
2027	0.42	0.42	-
2028	0.42	0.42	-
2029	0.42	0.39	0.03
2030	0.41	0.39	0.03
2031	0.41	0.38	0.03
2032	0.40	0.38	0.03
2033	0.40	0.37	0.03
2034	0.40	0.37	0.03
2035	0.39	0.37	0.03
2036	0.39	0.36	0.03

422. Using a higher prevalence rate means absolute revenue and overall number of transactions would be higher than in the central scenario. Using the same assumptions around profit margins and number of transactions per user, Table 74 shows the profit loss and transaction costs in this sensitivity analysis scenario compared with the central analysis in Option 3. These are cover only heated tobacco transactions and lost profits.

Table 74: Heated tobacco sensitivity analysis - Transaction costs and Lost Profits

Cost	Option 3 (£)	Sensitivity – High scenario (£)
Transactions	£1,130,000	£3,400,000

Lost profits	£10,700,000	£32,400,000
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Impact size

423. As outlined in the non-monetised benefits section, the central impact size estimate uses results from commissioned evidence. The central impact size was a 0.5% reduction in prevalence after one year, increasing to a total 6.7% reduction in prevalence after two years and remaining at this level for the remainder of the appraisal period. The confidence around each of these estimates is used to produce the higher and lower scenarios tested in this sensitivity analysis. This still considers only the impact in large shops, and uses the more conservative results from the Health Survey for England data.

424. Table 75 shows the relative effect on the proportion of smokers found in the evidence, which is used as a proxy for vapes, nicotine products, and heated tobacco. The lower impact scenario is equivalent to a 0.1% reduction in prevalence after 1 year, increasing to a total 1.5% reduction in prevalence after 2 years. The higher impact scenario is 1% reduction in prevalence after 1 year, increasing to a 12.3% reduction in prevalence after 2 years.

Table 75: Relative effect on the proportion of smokers, Display regulations in large shops, sensitivity impact values.

Effect – Large shops	Central scenario	Lower scenario	Higher scenario
Overall effect, 1 year	0.995	0.999	0.990
Overall effect, 2 years	0.933	0.985	0.877

425. These scenarios impact the following monetised costs:

- Transactions
- Lost profits

426. Using the same methodology for transactions and lost profits above, Table 76 shows the costs in this scenario compared with the central scenario. These cover all products and stakeholders.

Table 76: Impact size sensitivity analysis - Transaction costs and Lost Profits

Cost	Option 3 (£)	Sensitivity – Low scenario (£)	Sensitivity – High scenario (£)
Transactions	£44,500,000	£46,600,000	£42,500,000

Lost profits	£536,800,000	£120,000,000	£986,000,000
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427. While the overall monetised costs decrease and increase based on a lower and higher impact scenario respectively, this would be mirrored by proportional decreases and increases in the non-monetised health benefits from reduced tobacco and nicotine consumption among adults and young people.

Profit margins

428. In the central scenario for profit loss, we assume a 45% profit margin for retailers. This is based on stakeholder engagement conducted by DEFRA on disposable vapes. The profit margins may differ for reusable vapes therefore we have explored additional evidence. A report by the University of Edinburgh¹⁷⁷ that analysed profit margins for vape retailers found an average profit margin of 37.1%. They break this down further by product.

Product type	Gross margins (September 2022)
E-liquid	47.3%
Pod / Cartridge refill	24.6%
Disposable device	36.8%
Vape kit	27.4%
Vape unclassified	37.8%
Total	37.1%

429. Given the profit margins for retailers used were based on disposable vapes (45%), we have tested this in sensitivity analysis using the data from the University of Edinburgh study, excluding disposable devices. The average profit margin would be 34.3%.

430. Table 77 shows the estimated profit loss for vape retailers using this alternative assumption for vape retailer profit margins.

Table 77: Profit margin sensitivity analysis, retailer lost profits

Cost	Option 3 (£)	Sensitivity – Alternate profit margin (£)
Lost profits (Retailers)	£317,700,000	£283,900,000

¹⁷⁷ Tunstall, H. 2024. Tobacco and vape profits: analysis of EPOS data from small retailers in the United Kingdom in 2019 and 2022.

431. While retailer lost profit is the main tested assumption, due to how wholesaler and manufacturer profit losses are calculated this would impact their costs too. Using a lower profit margin for retailers redistributes some of the profit loss, but the overall profit loss would still be lower than in the central scenario when accounting for all stakeholders.

Small and Micro Business Assessment (SaMBA)

432. For the SaMBA, we have presented the costs to small and micro businesses for the preferred option only. However, as we have not been able to estimate different costs for each option, the estimates presented in this section could apply to all options.

433. The costs in scope of the Small and Micro Business Assessment are:

- Familiarisation costs
- Storage costs
- Restocking costs
- Transaction costs
- Price list costs
- Lost profits (retailers)

434. The businesses categories that are in scope of the Small and Micro Business Assessment are:

- Convenience and small shops, of which 71% are assumed to be small and micro based on data from the ACS Local Shop Report¹⁷⁸. This is 43,940 in England.
- Specialist tobacconists of which all (or 100%) are assumed to be small and micro. This is 1,436 in England.
- Vape shops, of which 100% (or all) are assumed to be small and micro, as there is no data available on the size of these businesses. This is 3,023 in England.
- Pharmacies, of which 95% are assumed to be small and micro. This is 9,885 in England.

435. Where possible, to calculate the burden on small and micro we directly estimate the overall cost to a subset of businesses (for instance convenience and small shops), and then apply the proportion of those that are small and micro, assuming the burden is felt equally by a particular set of businesses.

436. Where this is not possible, for instance where costs are grouped by larger stakeholder categories, it is assumed that the costs apply equally across all businesses, and then the

¹⁷⁸ ACS. 2025. The Local Shop Report 2024.

proportion of small and micro of the **total** number of businesses in scope of a particular cost is applied to the total cost figure.

Familiarisation costs

437. The estimated costs per business for familiarisation would be the same as each business would be subject to the same regulations. However, this may represent a larger burden on small and micro businesses that will have fewer staff available to undertake this familiarisation.

Convenience and small shops

438. To estimate familiarisation costs for convenience and small shops that are small and micro businesses, we multiply the estimated familiarisation costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 71% of convenience and small shops are small and micro businesses, equivalent to 31,197 in England.

439. Table 78 shows the estimated familiarisation costs for convenience and small shops that are small and micro businesses.

Table 78: Familiarisation costs for convenience and small shops that are small and micro businesses

Option	Cost
Option 3	£882,600

Specialist tobacconists

440. To estimate familiarisation costs for specialist tobacconists that are small and micro businesses, we multiply the estimated familiarisation costs for all specialist tobacconists by the percentage of those that are small and micro businesses. As outlined above we estimate 100% of specialist tobacconists are small and micro businesses, equivalent to 1,436 in England.

441. Table 79 shows the estimated familiarisation costs for specialist tobacconists that are small and micro businesses.

Table 79: Familiarisation costs for specialist tobacconists that are small and micro businesses

Option	Cost
Option 3	£41,000

Vape shops

442. To estimate familiarisation costs for vape shops that are small and micro businesses, we multiply the estimated familiarisation costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 100% of vape shops are small and micro businesses, equivalent to 3,023 in England.

443. Table 80 shows the estimated familiarisation costs for vape shops that are small and micro businesses.

Table 80: Familiarisation costs for vape shops that are small and micro businesses

Option	Cost
Option 3	£86,000

Pharmacies, other shops, and services

444. To estimate familiarisation costs for pharmacies, other shops, and services that are small and micro businesses, we multiply the estimated familiarisation costs for all pharmacies, other shops, and services by the percentage of those that are small and micro businesses. As outlined above we estimate 95% of pharmacies, other shops, and services are small and micro businesses, equivalent to 9,885 in England.

445. Table 81 shows the estimated familiarisation costs for pharmacies, other shops, and services that are small and micro businesses.

Table 81: Familiarisation costs for pharmacies, other shops, and services that are small and micro businesses

Option	Cost
Option 3	£540,000

Total familiarisation costs for small and micro businesses

446. Table 82 shows the total estimated familiarisation costs for small and micro businesses for Option 3.

Table 82: Total familiarisation costs for small and micro businesses

Business	Cost
Convenience and small shops	£882,600
Specialist tobacconists	£40,700
Vape shops	£86,000
Pharmacies, other shops, and services	£540,000

Storage costs

447. The estimated costs per business for storage would be dependent on business choice. However, this may represent a larger burden on small and micro businesses when

purchasing this for a single business, whereas larger chains may be able to bulk purchase storage solutions that may provide savings and discounts.

Convenience and small shops

448. To estimate storage costs for convenience and small shops that are small and micro businesses, we multiply the estimated storage costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 71% of convenience and small shops are small and micro businesses.

449. Table 83 shows the estimated storage costs for convenience and small shops that are small and micro businesses.

Table 83: Storage costs for convenience and small shops that are small and micro businesses

Option	Cost
Option 3	£4,700,000

Vape shops

450. To estimate storage costs for vape shops that are small and micro businesses, we multiply the estimated storage costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 100% of vape shops are small and micro businesses, equivalent to 3,023 in England.

451. Table 84 shows the estimated storage costs for vape shops that are small and micro businesses.

Table 84: Storage costs for vape shops that are small and micro businesses

Option	Cost
Option 3	£14,700,000

Total storage costs for small and micro businesses

452. Table 85 shows the total estimated storage costs for small and micro businesses for Option 3.

Table 85: Total storage costs for small and micro businesses

Business	Cost
Convenience and small shops	£4,700,000
Vape shops	£14,700,000

Restocking costs

453. The costs per business for restocking are estimated to be the same for all business. However, this may represent a larger burden on small and micro businesses that will have fewer staff available for restocking, or predominantly sell the products in scope and require additional restocking.

Convenience and small shops

454. To estimate restocking costs for convenience and small shops that are small and micro businesses, we multiply the estimated restocking costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 71% of convenience and small shops are small and micro businesses, equivalent to 43,940 in England.

455. Table 86 shows the estimated restocking costs for convenience and small shops that are small and micro businesses.

Table 86: Restocking costs for convenience and small shops that are small and micro businesses

Option	Cost
Option 3	£99,200,000

Vape shops

456. To estimate restocking costs for vape shops that are small and micro businesses, we multiply the estimated restocking costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 100% of vape shops are small and micro businesses, equivalent to 3,023 in England.

457. Table 87 shows the estimated restocking costs for vape shops that are small and micro businesses.

Table 87: Restocking costs for vape shops that are small and micro businesses

Option	Cost
Option 3	£19,200,000

Total restocking costs for small and micro businesses

458. Table 88 shows the total estimated restocking costs for small and micro businesses for Option 3.

Table 88: Total restocking costs for small and micro businesses

Business	Cost
Convenience and small shops	£99,200,000

Vape shops	£19,200,000
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Price list costs

459. The estimated costs per business for price list maintenance are estimated to be the same for each business. However, this may represent a larger burden on small and micro businesses that will have fewer staff available to undertake this maintenance, or compared with larger chains that may do this centrally to reduce duplication.

Convenience and small shops

460. To estimate price list costs for convenience and small shops small and micro businesses, we multiply the estimated restocking costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 71% of convenience and small shops are small and micro businesses.

461. Table 89 shows the estimated price list costs for convenience and small shops that are small and micro businesses.

Table 89: Price list costs for convenience and small shops that are small and micro businesses

Option	Cost
Option 3	£11,400,000

Vape shops

462. To estimate price list costs for vape shops that are small and micro businesses, we multiply the estimated price list costs for all convenience and small shops by the percentage of those that are small and micro businesses. As outlined above we estimate 100% of vape shops are small and micro businesses, equivalent to 3,023 in England.

463. Table 90 shows the estimated price list costs for vape shops that are small and micro businesses.

Table 90: Price list costs for vape shops that are small and micro businesses

Option	Cost
Option 3	£2,200,000

Total price list costs for small and micro businesses

464. Table 91 shows the total estimated price list costs for small and micro businesses for Option 3.

Table 91: Total price list costs for small and micro businesses

Business	Cost
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Convenience and small shops	£11,400,000
Vape shops	£2,200,000

Transaction costs

465. The estimated costs per business for transactions would be the same as each business would be subject to the same regulations and there is no evidence to suggest different additional transaction times across businesses.
466. As it is not possible to split our estimate of transaction costs by sub-group of stakeholders, we have assumed that transaction costs apply equally across all businesses, and multiplied the total estimated transaction costs by the proportion of businesses in scope of that are assumed to be small and micro businesses.
467. It is estimated that 76% of businesses in scope of that are assumed to be small and micro businesses¹⁷⁹.
468. Based on this, Table 92 shows the estimated transaction costs to small and micro businesses under Option 3.

Table 92: Total transaction costs for small and micro businesses

Option	Cost
Option 3	£21,600,000

Lost profits

469. The estimated costs per business for lost profits may disproportionately affect some shops, such as those that predominantly sell vapes, as they may not have a diverse range of products where additional spend may recoup some of the lost profits. However, it has not been possible to exempt these businesses from the measure while meeting the objectives.
470. As it is not possible to split our estimate of lost profits for retailers by sub-group of retailers, we have assumed that lost profits apply equally across all businesses, and multiplied the total lost profits by the proportion of businesses in scope of that are assumed to be small and micro businesses.
471. It is estimated that 76% of businesses in scope of that are assumed to be small and micro businesses¹⁸⁰.
472. Based on this, Table 93, shows the estimated lost profits to small and micro businesses under Option 3.

¹⁷⁹ All vape shops, all specialist tobacconists, and 71% of convenience and small shops.

¹⁸⁰ All vape shops, all specialist tobacconists, and 71% of convenience and small shops.

Table 93: Total lost profits to small and micro businesses

Option	Cost
Option 3	£312,800,000

Small and Micro Business Assessment (SaMBA) summary

473. Table 94 provides a summary of the estimated costs to Small and Micro Businesses for Option 3.

Table 94: SaMBA summary – Option 3

Option	Cost to Small and Micro Business
Option 3	£487,400,000

Potential mitigations for small and micro businesses

474. DHSC has undertaken broad engagement on reducing the appeal and availability of vaping products, including a public consultation in 2023. This consultation included specific questions on the displays of tobacco, vaping and nicotine products. In adherence with the requirements of Article 5.3 of the World Health Organisation Framework Convention on Tobacco Control (FCTC), the tobacco industry and those affiliated with it were able to respond to this consultation and the Government's response makes clear the views of the tobacco industry in response to the questions asked.
475. DHSC has engaged and continues to engage with the British Retail Consortium (BRC), the Association of Convenience Stores (ACS), the Department for Business and Trade (DBT), the UK Vaping Industry Association (UKVIA) and the Independent British Vape Trade Association (IBVTA) on the progress of the Tobacco and Vapes Act and to hear their views and reflections on subsequent areas of regulations. DHSC has also engaged with National Trading Standards. All these organisations were supportive of the need to reduce the appeal of vapes to young people. ACS and BRC raised the issue of their members' ability to implement any future display requirements, particularly for smaller stores. UKVIA and IBVTA have raised the question as to whether or not there should be exemptions for vape shops. These points have been considered and addressed within our IA above. Potential loss of sales from reduced footfall was not raised. DHSC, working with DBT and other key stakeholders, will produce guidance that will explain the specific new rules for the display and placement of tobacco, vaping and nicotine products to ensure a smooth implementation of future vaping and tobacco regulations.
476. In the Tobacco and Vapes Act, the Government has a duty to consult before making regulations, and we will use this opportunity to conduct further engagement with industry, and association bodies to ensure the regulations achieve the desired public health benefit while minimising burden on industry. During consultation, we will ask for evidence on feasibility and implementation of the regulations to ensure appropriate and feasible transition periods and sell by periods are accommodated within the regulations.

Distributional and wider impacts

Distributional impacts

Consumers

477. This is a wide-ranging public health measure aimed at improving population health by reducing uptake and prevalence of tobacco, vaping, and nicotine products among children and young people, and adults. Prevalence of smoking is higher in more deprived areas¹⁸¹, and vaping prevalence is higher among routine and manual workers compared with managerial and professional occupations¹⁸², therefore there may be larger benefits in these areas and these groups.

Low income

478. Data to assess the impact specifically on those on low income is not available.

Other impacted groups

Children and young people

479. Particularly among children and young people who are more sensitive to the effects of nicotine¹⁸³, this preventative measure will reduce the access and appeal of tobacco and vaping products providing long-term benefits in protecting against the harms of nicotine and addiction.

Adult smokers using vapes as a quit aid

480. Adults that vape could be affected by a restriction on vaping and nicotine displays. This could include a proportion of adults that use vapes as a smoking quit aid. There would be health and economic costs to individuals if they continue to smoke including increased risk of morbidity and mortality, and increased cost of smoking compared with other products.

Regional

481. The preferred option would require national implementation. Where prevalence of tobacco and vaping products is higher, there may be greater benefits in these regions where higher reductions in prevalence may be experienced.

Businesses

482. Business sectors that are likely to be impacted by the measure include:

- Tobacco, vape, and nicotine product manufacturers
- Tobacco, vape, and nicotine product wholesalers
- Tobacco, vape, and nicotine product retailers

¹⁸¹ OHID. [Smoking profiles: Smoking prevalence in adults, inequalities.](#)

¹⁸² UCL. [Smoking Toolkit Study: Vaping across the social gradient.](#)

¹⁸³ NHS. [Young people and vaping.](#)

483. The retail sector is expected to bear a significant portion of the burden in both transition and recurring costs as a result of this measure, particularly those shops that sell mostly vapes.
484. DHSC has undertaken broad engagement on reducing the appeal and availability of vaping products. We will conduct further engagement with industry and association bodies to ensure the regulations strike the right balance between achieving the desired public health benefit and minimising burden on industry. During consultation, we will ask for evidence on feasibility to identify reasonable transition periods and requirements.

Regional impacts

485. We are unable to identify specific data on the regional impacts for manufacturers and wholesalers. However, there is some data on the regional distribution of vape retailers.
486. A report by Health Equity North¹⁸⁴, identified some of the regional differences in vape shops. There found that there are over three times more vape shops in the most deprived areas of England compared to the least deprived areas. In addition, in 2024, the report found that there are double the number of vape shops in the north (0.6 per 10,000 people) when compared to the south (0.3 per 10,000 people). This could indicate that the policies may have a disproportionate effect on areas such as in the north where there are more vape stores, and hence a larger proportion of the costs to businesses could apply in those areas.
487. In addition, a CEBR report¹⁸⁵ shows the regional breakdown of direct turnover of the UK vaping industry in 2020. It is likely that the market has changed since 2020, however this could give an indication of regional differences. The report identified that the largest contributor in 2020 to direct turnover was the South East (16.3%), whilst the smallest contributor was Northern Ireland (2.9%).

Wider impacts

Business environment

Attractiveness of business environment

488. For retailers of products not previously in scope of the display regulations, this may reduce the attractiveness of this sector if sales and profits are lower.

Impact on barriers to entry

489. There may be additional costs associated with understanding and complying with the measure for current retailers, and new retailers may have additional barriers to entry in understanding and complying with the regulations.

Market concentration and competition

490. The measure is not expected to impact market concentration or competition.

¹⁸⁴ Health Equity North. 2025. Ghost Towns. The Decline of the High Street and Health Inequalities.

¹⁸⁵ CEBR. 2022. Economic impact assessment of the vaping industry.

Foreign investment

491. The ability to market and sell products in the UK may decline, which could in turn reduce investment in marketing and selling in the country.

Scope for business to bring innovative products and services to market

492. The measure may have minimal impact on the scope for business to bring innovative products and services to market due to potentially reduced marketability of products from restricting the display of these products in shops.

Indirect impact on other industries/products

493. Due to the nature of some businesses there may be knock-on impacts if consumption of other products changes. For example, if additional products purchased when buying vapes or tobacco products are no longer purchased.

International trade considerations

494. The regulation will not impact on trade directly or indirectly by imposing any barriers. However, there may be some reductions on imports as a result of reduced consumption of products in scope.
495. Evidence on international implementation has been reviewed and considered, whilst there is international precedent for introducing regulations in line with this proposal, there is a lack of published evaluation to consider the public health effects of doing so.

Natural capital and decarbonisation

496. This measure is unlikely to have an impact on UK natural capital and decarbonisation of the economy, and no estimates on the changes to greenhouse gas emissions have been made.

Further considerations

497. Administrative and compliance costs have been considered throughout policy development to ensure a proportionate approach is taken.
498. Retail businesses are already familiar with the legislation and how this is implemented in practice. Evidence suggests compliance levels are high¹⁸⁶. By aligning the restrictions across all the products listed above, there are lower compliance costs for retail businesses.
499. We plan to minimise familiarisation costs by publishing guidance to support businesses and enforcement agencies to understand the regulations. This will minimise administrative burden as the regulations will be explained in a way that is easy to understand. Guidance

¹⁸⁶ Eadie and others. 2016. [Are Retail Outlets Complying with National Legislation to Protect Children from Exposure to Tobacco Displays at Point of Sale? Results from the First Compliance Study in the UK](#) | PLOS One.

is likely to be similar to previously published tobacco packaging guidance¹⁸⁷. The Department will work closely with businesses and representative bodies in this process.

500. We do not plan to include a specific requirement for businesses to fill out forms or report on these regulations.
501. Trading Standards are responsible for enforcing tobacco and vape sales regulations at a local level in England, Wales and Scotland. District councils are responsible in Northern Ireland. In 2025/26 we have invested £30 million of new funding for enforcement agencies to support the implementation of the Tobacco and Vapes Act, including the recruitment of 80 new apprentices. We will support Trading Standards through training and guidance offers to upskill them on the latest regulation changes.
502. We are consulting on appropriate implementation timelines so that businesses have sufficient time to familiarise themselves with the requirements of this policy and implement the changes to comply, ahead of them coming into force.

Monitoring and Evaluation of preferred option

Background

503. The monitoring and evaluation section covers the plans for a post implementation review (PIR) and how this would be conducted, followed by the further monitoring and evaluation the Department would be doing. The monitoring and evaluation plan covers how we would assess the measure against the objectives, the specific data required for monitoring the impacts across a range of stakeholders, and then explores the types of research questions required for a robust evaluation.

Post implementation review

504. This section sets out our provisional plans for monitoring and evaluation; informed by HM Treasury's Green Book¹⁸⁸, Magenta Book¹⁸⁹ and the Department for Business and Trade Better Regulations guidance on post implementation reviews¹⁹⁰.
505. As set out in the Small Business Enterprise and Employment Act 2015, we must carry out a post implementation review within 5 years of commencement of secondary legislation that has a significant impact on businesses. If we assume that the policy is implemented in 2027, a post implementation review would be required by 2032. This allows sufficient time for implementation and for the Department to have time for any additional research needed, for example to better understand any emerging issues or policy changes needed to inform the post implementation review.
506. Based on previous experience we expect that the research is likely to take one year to commission and an additional 2-3 years to be conducted. Taking the maximum time available to evaluate will ensure that the full implementation can be evaluated and impacts and unintended consequences that may develop over time can also be captured.

¹⁸⁷ Department of Health and Social Care. 2021. Tobacco packaging guidance: Guidance for retailers manufacturers and distributors of tobacco products, enforcement agencies and the public on tobacco packaging in Great Britain.

¹⁸⁸ HMT. 2022. The Green Book (2022)

¹⁸⁹ HMT. 2020. Magenta Book. Central Government Guidance on Evaluation.

¹⁹⁰ Department for Business & Trade. 2024. Producing post-implementation reviews: principles of best practice.

507. The aim of the post implementation review would be to establish whether the regulation:

- Has achieved its objectives
- Has objectives that remain appropriate
- Is still required and remains the best option for achieving objectives
- Has objectives that be achieved in another way which involves less onerous regulatory provision to reduce the burden on business and/ or increase overall societal welfare

508. An example a post implementation review is the Post Implementation Review Report of Tobacco Legislation Coming into Force Between 2010-2015 which can be drawn on to inform the evaluation of vaping and other nicotine display regulations. The PIR included the following key questions:

- To what extent have the policy objectives been achieved? The extent to which expected / additional benefits were achieved. The extent to which expected / additional costs were incurred.
- Were there any unintended consequences?
- Could these objectives be achieved in another way which involves less onerous regulatory provision to reduce the burden on business?

509. The PIR included:

- Peer-reviewed evidence on findings of studies undertaken across the UK in relation to the Display regulations;
- Commissioned evidence evaluating the impact of the Display regulations;
- Reviewing publicly available health metrics that were relevant to the regulations;
- Running a public consultation to gather views from a range of stakeholders; and
- An assessment of the economic impacts in terms of cost to businesses and anticipated health benefits.

Monitoring and evaluation

510. The Act provides a number of powers to bring in secondary legislation, which we will be required to evaluate. As appropriate we will form more detailed evaluation plans, including regulations that will benefit from being evaluated together.

511. For example, where regulations have common research approaches, we could gather data from key respondent groups (e.g. smokers, vapers, public, small business

owners) to collect data for multiple regulations at the same time. In practice some of the regulation timelines and implementation periods may differ so it may not always be possible to evaluate them together.

512. Any independent evaluations commissioned for this policy will likely include all aspects of the magenta book methodologies, including process evaluation, outcome/impact evaluation, and economic evaluation. Additional information on how this work could be commissioned is outlined in below. This will aim to assess:

- How well did the intervention meet its objectives?
- Were there unexpected outputs, outcomes or unintended effects?
- Were costs, benefits and delivery times as predicted?
- Was delivery achieved as expected and were any changes needed?
- What can be learnt for future interventions?

513. Given the proposed structure of the regulations, it may not be possible for experimental (randomised designed) studies to be used. For example, if policies are implemented uniformly across nations and all businesses are in scope of the policies, this would not allow a control to be established. Therefore, it would be expected that non-experimental observational and cost-effectiveness designs will be used.

514. The evaluation is likely to use a mixed approach influenced by issues such as timelines and data availability. It is also likely that the evaluation will be a multi-phased study or studies given that it is likely to look at multiple regulations implemented across different time periods. In addition, it may be challenging to isolate the policy impacts from other related policies, some impacts could be considered across a range of policies.

Policy objectives

515. As part of the monitoring and evaluation for the proposed display regulations we will need to assess whether the policy has met the objectives that were set out in the Policy Objectives section of this IA. The main objectives include:

- To further reduce tobacco consumption in any form by maintaining current restrictions on tobacco display and removing the promotion of tobacco related devices, cigarette papers and herbal smoking products via display, as a means of reducing tobacco uptake among young people and supporting adult smokers who want to quit tobacco.
- Reduce youth vaping and prevent future generations from nicotine addiction and wider risk of harm from vaping and nicotine products by reducing the visibility of these products and therefore the appeal and attractiveness to children and young people.
- To avoid unintended consequences on the availability, accessibility and effectiveness of vapes and nicotine products for adult smokers seeking to quit smoking.

516. The logic model outlining the expected impacts, including unintended impacts can be found in Figure 4. These impacts and outcomes, where possible, should be monitored and evaluated.
517. We consider the main external factors that may affect the success of the policy to include compliance by retailers and enforcement of the policy.
518. Due to the long-term nature of some of the impacts of the policy, there is likely to be a time-lag between when the policy is implemented and when some of the impacts occur. For example, there are unlikely to be any health impacts within five years, therefore the evaluation is likely to focus on short- and medium-term impacts. As such, it will also be important to use a range of research methods and approaches to ensure long-term outcomes are being captured alongside short-term.

Monitoring

519. We have identified data needs and areas to monitor to understand if the policy objectives have been achieved. These can be split into consumer, businesses and enforcement.

Consumers

520. For consumers, we intend to use several metrics to monitor changes in the number of people using vapes, nicotine and heated tobacco products; cessation rates; people using vapes and nicotine products to quit smoking; and public attitudes to products. We will do this by measuring:

- Youth and adult vaping prevalence
- Number of vaping quits
- Youth and adult nicotine product prevalence
- Youth and adult smoking prevalence
- Youth and adult heated tobacco prevalence
- Smoking cessation rates
- Proportion of people using vapes and nicotine products to quit
- Vaping cessation rates
- Attitudes and perceptions to vaping

Businesses

521. **The costs incurred by retailers, wholesalers and manufacturers:** We will look to understand whether the costs to business have been significant.
522. **Number of businesses:** We will look to understand whether the number of businesses has changed, for example the number of stores that predominantly only sell vapes and nicotine products and the number of vape manufacturers.

Enforcement

523. **Enforcement / trading standards cases on non-compliant retailers:** We will monitor this to understand if there is an increase in the illicit market and to understand if businesses are complying with regulations.
524. We have identified some existing data that can be used to monitor these areas. More robust surveys, such as those with a larger sample size and more frequent, are likely to support more robust monitoring and evaluation over time. Monitoring can be done internally using publicly available sources, or alternatively can be commissioned, where additional data could be collected to fill in any gaps.
525. This monitoring can be done both internally, by using the publicly available sources identified to look at trends and changes, or alternatively can be commissioned as part of the evaluation and additional data, not currently available, can be collected to fill any gaps.

Youth and Adult Vaping Prevalence

526. Smoking Drinking and Drug use among Young People Survey (SDD)¹⁹¹ shows smoking and vaping prevalence for 11- to 15-year-olds. This survey is currently conducted every two years.
527. The Adolescent Health Study¹⁹² will track young people over 10 years to collect behaviour data on health and wellbeing, including the impact of smoking and vaping. The two-year pilot phase is expected to commence in 2026, which could mean data is available for the monitoring and evaluation of vaping regulatory measures.
528. ONS Adult Smoking Habits in the UK¹⁹³ provides smoking prevalence data for adults aged 18 and over, split by age, gender, location socio-economic status and other demographics. This could be used to monitor the impact of increased regulations on vaping, to understand if there is either an increase in adults smoking or vaping.
529. ASH annual survey on youth vaping¹⁹⁴ contains data on vaping prevalence among 11- to 17-year-olds and information on sources of vapes, awareness of vapes and reasons for vaping. This is an annual survey, which could be used to provide monitoring of vaping policies.
530. Health Survey England¹⁹⁵ is a survey that collects data on cigarette smoking and e-cigarette use. However, should be noted that this survey is undergoing a transition and there will be future data collection plans from 2027 onwards¹⁹⁶.
531. Additional data that can also support on the monitoring of youth and adult vaping prevalence includes the Health survey for Northern Ireland¹⁹⁷, National Survey for Wales¹⁹⁸ and School Health Research Network¹⁹⁹.

¹⁹¹ NHS Digital. 2024. Smoking Drinking and Drug Use among Young People in England.

¹⁹² UKRI. 2025. Adolescent Health Study.

¹⁹³ ONS. 2025. Adult smoking habits in the UK: 2024.

¹⁹⁴ ASH. 2024. Use of vapes (e-cigarettes) among young people in Great Britain.

¹⁹⁵ NHS Digital. (2022). Health Survey for England.

¹⁹⁶ NHS Digital. (2025). Health Survey for England- Health, social care and lifestyles.

¹⁹⁷ Department of Health. 2025. Health Survey Northern Ireland.

¹⁹⁸ Welsh Government. 2025. National Survey for Wales.

¹⁹⁹ The School Health Research Network.

Nicotine Product Prevalence

532. The Smoking Toolkit Study (STS)²⁰⁰ is a survey in England that collects data on smoking behaviour and smoking cessation. This could monitor vapes being using as smoking cessation tools, use of other nicotine products and vaping and smoking prevalence. The STS collects monthly data but also monitors the same cohort of people over time.

Smoking prevalence

533. ONS Adult Smoking Habits in the UK²⁰¹ provides smoking prevalence data for adults aged 18 and over, split by age, gender, location socio-economic status and other demographics. This could be used to monitor the impact of increased regulations on vaping, to understand if there is either an increase in adults smoking or vaping.

534. Smoking Drinking and Drug use among Young People Survey (SDD)²⁰² shows smoking and vaping prevalence for 11- to 15-year-olds. This survey is currently conducted every two years.

Heated tobacco prevalence

535. The Smoking Toolkit Study (STS)²⁰³ is a survey in England that collects data on smoking behaviour and smoking cessation. This could monitor vapes being using as smoking cessation tools, use of heated tobacco products and vaping and smoking prevalence. The STS collects monthly data but also monitors the same cohort of people over time.

Smoking cessation and people using vapes to quit

536. ONS Adult Smoking Habits in the UK²⁰⁴ also provides data on the number of people quitting smoking.

537. NHS Statistics on Local Stop Smoking Services in England²⁰⁵ is a quarterly report which includes information on quit rates including the type of aids used to quit. This is broken down by age, ethnic group, socioeconomic classification and at local authority level.

Attitudes and perceptions on vaping

538. ASH Smokefree GB Youth Survey²⁰⁶ tracks the perceptions of the harm of vapes compared to cigarettes over time for young people (age 11-17). The survey also asks about young people's intention to try vapes or cigarettes.

539. It should be noted that some datasets and surveys identified may evolve over time, with the potential for questions to change. Sources of data will be kept under review as plans for monitoring and evaluation are developed.

Additional data to consider

540. Some gaps in data remain and there may be additional sources of data that we can use in the future to monitor the impact of the policy. We will therefore consider additional sources to fill these gaps. For example:

²⁰⁰ University College London. 2025. [Smoking Toolkit Study](#).

²⁰¹ ONS. 2025. [Adult smoking habits in the UK: 2024](#).

²⁰² NHS Digital. 2024. [Smoking Drinking and Drug Use among Young People in England](#).

²⁰³ University College London. 2025. [Smoking Toolkit Study](#).

²⁰⁴ ONS. 2025. [Adult smoking habits in the UK: 2024](#).

²⁰⁵ NHS England. 2025. [Statistics on Local Stop Smoking Services in England](#).

²⁰⁶ ASH. 2025. [Use of vapes among young people in Great Britain](#).

- **Vaping Cessation:** There is currently limited data on vaping cessation. Whilst this can be inferred from changes in prevalence data, there is not specific data available on the number of vaping quitters and quit attempts. We should seek to fill this gap or further identify sources.
- **Impact on businesses:** To monitor the impact on business we could conduct similar research to that conducted by the Kings Fund Research²⁰⁷ for tobacco standardised packaging to understand the impact of the regulations on businesses. This research collected qualitative evidence of the impact of standardised packaging of tobacco and tobacco and related product regulations on small businesses.
- When the Vaping Products Duty is in place (October 2026) it is likely HMRC will obtain data on the volume of vaping products and the number of manufacturers. This data could be used to monitor products being manufactured, imported and packaged for retail. Access to HMRC data for monitoring and evaluation purposes is pending data sharing agreements.
- **Enforcement:** To monitor the enforcement of the policy we would work with trading standards to identify the level of compliance with the regulations. This could be either quantitative or qualitative data.

541. We could also undertake periodic evidence reviews to assess any additional data being published elsewhere, covering any of the identified areas or other emerging areas.

Evaluation

542. Following on from the monitoring, we would seek to answer research questions on the regulations. These have been designed to cover objectives, understanding the impacts and understanding any unintended consequences of the policy:

- Has the policy achieved its objectives? Do the objectives remain appropriate?
- Does the policy remain the best way to achieve the objectives?
- However, it is important to note that how businesses display tobacco products within their stores may change as a result of the additional requirements to limit the display of vaping and nicotine products. This is more likely to be the case for small and medium businesses given that large supermarkets already display vaping and nicotine products behind a sales counter with tobacco products.

543. To further breakdown whether the objectives have been achieved we would want to explore the following questions:

Youth Vaping

²⁰⁷ The Kings Fund. 2021. Qualitative assessment of the impact of the Standardised Packaging of Tobacco and Tobacco and Related Products Regulations on small businesses.

- Has youth vaping and use of other nicotine products declined as a result of the regulations?
- Has there been any substitution effect between products as a result of the regulations?

Smoking Cessation

- Have there been fewer smoking quits as a result of the regulations?
- Are fewer adults using vapes or other nicotine products as smoking cessation tools?

Unintended consequences and external factors

- Have there been any unintended consequences as a result of the policies?

544. Unintended consequences that could arise as a result of the regulations refer to outcomes that are not foreseen or intended by a particular action or policy. The evaluation will seek to explore whether any unintended consequences have occurred. Potential unintended consequences include the market adapting and finding new innovative ways to attract young people to their vaping and other nicotine products.

545. Another unintended consequence of the policy could be consumers, in particular young people, being deterred from using vapes and nicotine products but instead switching to other addictive or harmful products such as cigarettes or drugs or taking part in other harmful activities in place of the use of nicotine.

546. Adults could be deterred from using vapes or nicotine products as smoking cessation aids, therefore there is potential for there to be fewer quits and an increase in smoking rate.

547. It could also be considered that there could be an increase in illicit activity as a result of the regulations.

- Are there any external factors that have influenced the impact of the policy?

548. There are also external factors that could influence the impact of the regulations. For example, compliance. The success of the policy is reliant on compliance from businesses. If businesses are non-compliant, its likely young people will still be exposed to tobacco related devices, herbal smoking products, cigarette papers, and vaping and nicotine products.

549. Other external factors could include market trends, consumer trends and behaviours and interactions with future government policies. For instance, there could be other regulations that directly or indirectly impact this regulation and the vape and other nicotine product market. These regulations could accelerate or delay the realisation of the benefits of the display regulations. This could make it challenging to distinguish the effects of the pre-market regulations from those of additional future regulations.

Economic and other impacts

- What were the economic impacts of the policy? (this could cover both labour market impacts as well as household impacts such as expenditure on vapes and other nicotine products).
- What has been the cost to business of implementing the policy?
- Has there been any environmental impacts of the policy?

550. The evaluation of this regulation will require resources. This is likely to involve a mix of internal DHSC resources, commissioned teams via the NIHR, and locally commissioned work. These different sources allow for work to be undertaken flexibly at different times and at appropriate scales.

551. With work commissioned through the NIHR, the tendering process will require a proposal that will set out the methods and data required to answer the research questions. If all questions are not addressed in proposals, we could explore putting out an additional call for research or conduct smaller targeted projects through the NIHR policy research units.

How DHSC will respond to adverse effects and unintended consequences

552. DHSC will engage with industry association bodies, trading standards and public health stakeholders to ensure we mitigate unintended consequences with effective communication and respond to any issues efficiently. DHSC will work closely with local authorities and the regional network to ensure effects are closely monitored in regions.