

# LICENSING COMMITTEE INFORMATION SHEET

24 APRIL 2024

**TYPE OF APPLICATION:** Variation of Second-Hand Dealer's Licence

**APPLICANT:** Cex Ltd

## INFORMATION NOTE

Application must be determined by 12/07/2024

## DESCRIPTION

Variation of second-hand dealer's licence.  
The applicant is requesting for condition 3 on the licence to be removed. Condition 3 provides that the licence holder shall keep all articles in his shop or other place where his ordinary business is carried on. He shall not dispose of any articles acquired by him except goods bought at auction until the expiry of 48 hours (excluding any time on Saturdays and Sundays) after the date on which it shall appear from his books or electronic records that such articles have been purchased or received.

No letters of objection or representations have been received, however as the previous request for the same variation was refused it is being brought before Committee.

## CONSULTEES

- Police Scotland
- Trading Standards

## OBJECTIONS/REPRESENTATIONS

N/A

## GROUNDS FOR REFUSAL

A licensing authority shall refuse an application to grant or renew a licence if, in their opinion—

(a) the applicant or, where the applicant is not a natural person, any director of it or partner in it or any other person responsible for its management, is either—

(i) for the time being disqualified from holding a licence, or

(ii) not a fit and proper person to be the holder of the licence;

(b)the activity to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant or renewal of such a licence if he made the application himself;

(c)where the licence applied for relates to an activity consisting of or including the use of premises or a vehicle or vessel, those premises are not or, as the case may be, that vehicle or vessel is not suitable or convenient for the conduct of the activity having regard to—

(i)the location, character or condition of the premises or the character or condition of the vehicle or vessel;

(ii)the nature and extent of the proposed activity;

(iii)the kind of persons likely to be in the premises, vehicle or vessel;

(iv)the possibility of undue public nuisance; or

(v)public order or public safety; or

(d)there is other good reason for refusing the application;

**and otherwise shall grant the application.**

## Reasons

We at CeX are looking to have a conversation with the Council and the Police to have our licence requirement of holding all items for 48 hours before sale removed.

The requirement is stated within the Civic Government Scotland Act, a piece of legislation over 40

years old. As such, we feel the requirement is outdated and has not yet developed in line with industry

and modern systems and a review of this requirement is necessary.

Later in this writing, it will be discussed in full that we use systems that will allow for a more efficient

communication method with the Police, which will reduce the time taken to seize these items for the

police and subsequently reduce the pressure on the stores to hold all items.

The data of the stores will be written in full further down, however in short, we find that the amount

of items seized by the Police often do not fall within the time frame required for the hold. As well as

this, only a small section of these items are requested for purchase within the hold period, as such the

complete hold on all items seems excessive to meet the necessary reasons.

Further by requiring the holding of these items for the time period, it causes issues for the stores.

Firstly, by not selling some of these items, this affects the stores budget for their wages and also their

ability to meet their bonus requirements. As can be seen later in the data, this is a large downside for a

system that is not effective.

Secondly, by requiring the stores to hold these items, it adds a burden in the proper management and

storage of these items. The stores are required to find the space to store these items until the end of the

hold period and also to properly manage the system in ensuring that the items are tracked to ensure

they are not put out for sale prior to the hold system expiry. As said earlier, with the data available,

this a serious burden on the stores for a system that does not meet the purpose it is intended to provide.

The following information goes into more detail about our reasons for feeling that the 48 hour hold is

ineffective and that we can work together to develop a more effective system that puts less pressure on

the store while still fulfilling the requirements of the Police.

The Law

Currently Section 25 ss1 of the Civic Government Scotland Act states;

“Subject to subsections (2) and (3) below and section 27 of this Act, a second-hand dealer shall not dispose of any item of

his stock-in-trade until the expiry of 48 hours (excluding any time on Saturdays or Sundays) after he acquired it.

Further Subsection 3 of the same sections continues;

A licensing authority may, on granting a second-hand dealer’s licence or at any time thereafter, on application by the dealer

and after consultation with the chief constable, order that subsection (1) above shall not apply to the disposal by the dealer of

any item, or any specified item or class of items, of his stock-in-trade or any specified part of it.

Data for the use of the 48 hours hold

For the Aberdeen store, we are looking to show the data over the last 3 years. This data will include

the amount of purchases the store has made over this time period, the number of seizures made by the

police and the time frame that these seizures have taken since the item was bought in.

The Aberdeen store since January 2020 has bought in 262572 items

In this time frame, the Police have made 8 Seizures

Looking at this data, we can see that the amount of seizures make up 0.003% and of that percentage 1

of these have been caught within the time frame. This one item was caught within the 48 hours as the

item was locked to a business account and was reported to the Police by the store when this was noticed.

#### Membership Data

All of our customers are required to have an account, with the requirements of identification set by the council, in order to sell any item to us.

These requirements show that any item that is of interest to the police, CeX will be able to provide the

necessary information to allow for the proper pursuit of justice.

Subsequently, CeX offers a 2 year warranty on all items, as such when an item is sold, many of our

customers provide their details to allow for digital proof of their purchase. In this case, if an item is

sold, CeX will be able to contact the customer and request that the item is to be returned and then

handed to the Police.

#### Online Data

For the limited number of items that are requested within the 48+ hour hold period, the majority of

these items are requested via our online store. For these items, we will have full details of the purchaser, including contact and delivery details.

If the police require any item that we have sold via our online store, we have the ability to contact the

purchaser and request that the item is returned and we can subsequently pass this to the Police.

#### Work with Reciprio

All items with serial numbers are run through Checkmend. Checkmend is operated by Reciprio, where

they will cross check all serial numbers we provide with the National Mobile Phone Register as well

as Police Crime Reports for Police Scotland. I have attached a letter from Les Gray, one of the directors of Recipero that outlines CeX uses of Checkmend.

As the system can allow the Police to become aware of the items that have been purchased by the

store in real time, then we at CeX are happy to develop a system where we can provide details to the

Police to allow for contact to be made and the item to be removed from stock to prevent the sale until

the Police have time to collect the device. This system would allow the Police to have access to all the

devices they require for their investigations and simultaneously allow for CeX to avoid having trade

impacted by the hold on stock.

Other Stores

We have two other stores that currently do not require a hold of 48 hours, these being Livingston and

Paisley. For each of these stores, we have yet to experience any issue in relation to a lack of 48 hour

hold on these items. Without the stipulation, we have encountered no increase in the handling of

stolen goods or issues arising from inability to return said items if the need arises