

eCommerce Guide for U.S. Small Businesses to Sell Online in the UK



INTERNATIONAL
TRADE
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Selling Online to Consumers in the UK

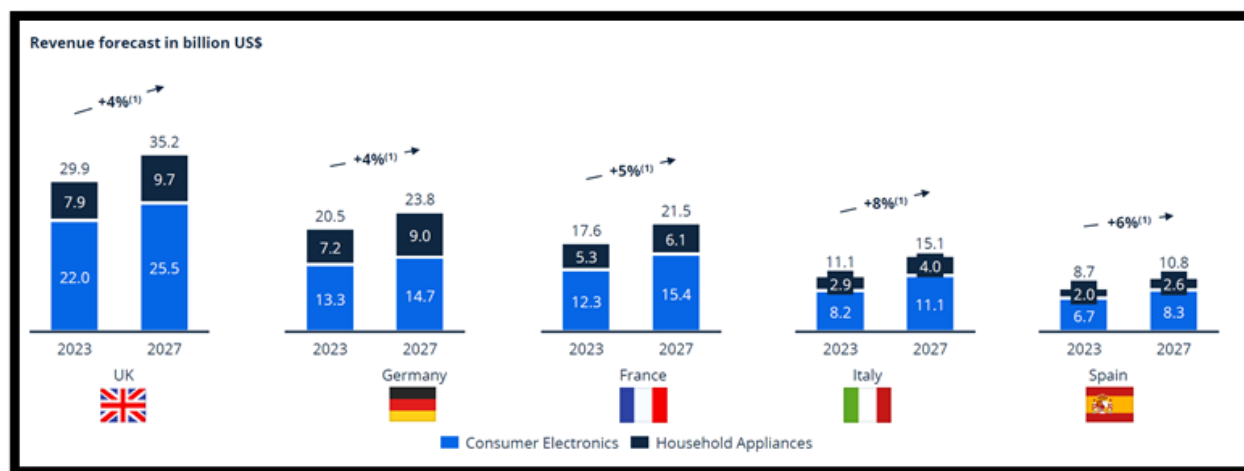
Internet shopping is more popular in the UK than in any other major country. Consumers in the UK spent \$106 billion online in 2023.

The leading product segments for eCommerce in the UK are:

- Fashion (31%)
- Toys/Hobby/DIY (19%)
- Electronics & Media (18%)
- Food & Personal Care (17%)
- Furniture & Appliances (15%)

82% of the UK population bought at least one product online in 2023, and consumer ecommerce now accounts for about 30% of the total retail market in the UK. Consumer electronics, consumer appliances, and toys and games are the top selling products as a percentage of overall retail sales.

Europe Market Comparison



With a compound annual growth rate of 4% and annual revenues growing to over US\$35.2 billion, the UK will remain the largest EU market through 2027.

The leading markets that consumers in the UK purchase from online are made from businesses primarily originating from China (32%), the United States (21%), and Germany (9%).

Top eCommerce Sites

Leading online marketplaces in the UK by visits:

1. amazon.co.uk (general ecommerce)
2. ebay.co.uk (general ecommerce)
3. asos.com (fashion & cosmetics)
4. wayfair.co.uk (general ecommerce)
5. vinted.co.uk (fashion ecommerce)

Leading online stores in the UK by net sales:

1. amazon.co.uk (electronics & media)—\$15.3 billion
2. sainsburys.co.uk (food & personal care)—\$7.5 billion
3. tesco.com (food & personal care)—\$7.1 billion
4. argos.co.uk (home & furniture)—\$4.6 billion
5. johnlewis.com (fashion)—\$3.3 billion
6. next.co.uk (fashion)—\$3.2 billion
7. ocado.com (food & personal care)—\$3.1 billion
8. asda.com (food, clothing & home)—\$3.1 billion
9. currys.co.uk (appliances & electronics)—\$2.9 billion
10. apple.com (technology)—\$2.5 billion

Online Payment

Almost all United Kingdom-based online businesses allow customers to use credit or debit cards. UK consumers are becoming much more aware of the issue of online identity theft and will generally conduct financial transactions only on secure websites. UK consumers are increasingly using virtual wallets and fintech products to make online payments.

Popular payment methods include:

- Digital wallet (35%)
- Credit card (24%)
- Debit card (22%)
- Account-to-account (9%)
- Buy Now, Pay Later (8%)
- Cash on delivery (1%)
- Prepaid card (1%)

VAT Taxes

VAT taxes are similar to a sales tax in the United State (VAT is applied every time value is added—from the raw material supplier, to the manufacturer, and finally to the end consumer). For most U.S. goods the UK VAT of 20% is normally paid on import, and a UK VAT-registered business can reclaim that same amount from the UK tax authorities as input VAT of their regular VAT return. Most logistics service provider fulfilment centers and customs brokers can assist in documenting this.

Social Media

Small businesses can promote products and broaden their global customer base through social media. More than 84% of the UK population accessed social media sites, with over 71% using social media daily in 2023.

The most popular social networks in the UK by share of visits are:

- Facebook (62.2%)
- X (Formerly Twitter) (15.0%)
- Instagram (10.7%)
- Pinterest (5.8%)
- Reddit (2.4%)
- YouTube (2.2%)
- LinkedIn (0.6%)
- Tumblr (0.6%)

Protecting IP on eCommerce Sites

eCommerce sites have different rules for protecting intellectual property and enforcing against infringement.

Since intellectual property is territorial, businesses should obtain protection for their patents and trademarks in countries where they sell and manufacture, including countries where their products are available on ecommerce platforms.

The UK legal system provides a high level of intellectual property rights protection. Enforcement mechanisms are comparable to those available in the United States. The Intellectual Property Office (IPO) is the official UK government body responsible for intellectual property rights protection including patents, designs, trademarks, and copyright. Copyright protection is automatic, and the UK has no formal system for copyright registration.

Businesses should undertake regular searches to ensure that their copyrighted materials and trademarks are not being used to sell counterfeit goods.

For more information about protecting your intellectual property, please review the online intellectual property toolkits available at www.stopfakes.gov.

For specific information about protecting your intellectual property in the UK, please visit <https://www.gov.uk/government/publications/protecting-intellectual-property-in-the-united-kingdom/uk-toolkit-for-us-smes>.

Consumer Privacy

UK law governing the conduct of business online is set out in a number of different statutory instruments. For example, the Data Protection Act 2018 is the UK's implementation of the UK General Data Protection Regulation (UK GDPR), which governs how personal information of individuals is used by organizations, businesses, or the government. UK law includes restrictions on the transfer of personal data outside of the UK. Another example is the UK's Privacy and Electronic Communications Regulations (PECR), which governs direct electronic marketing communications.

UK Extension to the EU-U.S. Data Privacy Framework

The U.S. Department of Commerce's administers the UK Extension to the EU-U.S. Data Privacy Framework (EU-U.S. DPF). Under the UK Extension to the EU-U.S. DPF, participating organizations will be deemed to provide "adequate" data protection (i.e. privacy protection), a requirement for the transfer of personal data outside of the United Kingdom under UK law. Organizations that wish to participate in the UK Extension to the EU-U.S. DPF must participate in the EU-U.S. DPF. While joining the EU-U.S. DPF and the UK Extension to the EU-U.S. DPF is voluntary, once an eligible organization self-certifies to the Department and makes the public commitment to comply with the UK Extension to the EU-U.S. DPF requirements, the commitment becomes enforceable under U.S. law. On September 21, 2023, the UK Government laid regulations in Parliament to implement the UK Extension to the EU-U.S. DPF. It is expected that effective October 12, 2023, organizations that have self-certified their compliance with the UK Extension to the EU-U.S. DPF will be able to rely on the UK Extension to the EU-U.S. DPF to receive personal data from the United Kingdom and Gibraltar. There are other mechanisms under UK law, such as, Binding Corporate Rules or Standard Contractual Clauses, that organizations may rely on to satisfy UK data transfer requirements, but these options may be more costly and burdensome, particularly for small business. eCommerce sellers interested in doing business in the UK should consult with legal counsel.

To learn more about the DPF, please visit: www.dataprivacyframework.gov.

The UK government also provides information in the [U.S.-UK data bridge explainer](#).

Get Help

Trade.gov is the U.S. federal government's export portal:

- A wide selection of ecommerce resources are available in the eCommerce Export Resource Center to help you improve your online business presence and acquire new overseas consumers. (<https://www.trade.gov/ecommerce>).
- Learn about market conditions, opportunities, regulations, and business customs for over 125 countries with our Country Commercial Guides. (<https://www.trade.gov/market-intelligence>)
- Do you need to ensure that your access to the digital economy and new markets has not been restricted? Consider contacting an International Trade Specialist near you for expert assistance with trade regulations and other export issues. (<https://www.trade.gov/locations>)
- The eCommerce Business Service Providers (BSP) Directory is intended to provide you an unbiased resource of business service providers that operate in or cater to the cross-border ecommerce sales channel. This list contains basic information on ecommerce service providers that U.S. businesses can contact to optimize your digital presence in pursuit of increased online sales. (<https://www.trade.gov/ecommerce-bsp-directory>)