

Your customers want  
to know where their  
money goes



# Our tip is: tell them.

2 out of 3 customers asked said that they were more likely to return to a business where a tipping policy was displayed.

## At your service

Since 1st October 2009, tips, gratuities, service and cover charges can no longer be used to make up a worker's National Minimum Wage pay. The BIS Code of Best Practice on Service Charges, Tips, Gratuities & Cover Charges aims to complement this by improving the information available to customers and staff. It also provides materials to give easy ways for businesses to implement best practice recommendations.

Think about it... just how clear is your business' tipping policy at the moment?

### You should aim to be able to tell your customers:

- Which charges are mandatory and which are discretionary
- Whether money is taken by you to cover costs of handling tips
- If there is a difference in how you distribute cash and card tips
- How tips and charges are shared between the business and the workers



## Four simple principles of the Code

The Code suggests four key principles of best practice to help you achieve transparency in relation to service charges, tips, gratuities and cover charges.

**Those participating in the Code will acknowledge them as follows:**

- 1** Businesses will clearly display on their premises prior to the point of purchase or choice their policy relating to mandatory and discretionary service charges, tips, gratuities and cover charges, and make this accessible.
- 2** Businesses will have a process in place to deal with requests from customers about how and to whom all service charges, tips, gratuities and cover charges are distributed, and the level and purpose of deductions.
- 3** Businesses should ensure that workers understand and are able to confidently explain the business' policy on service charges, tips, gratuities and cover charges to customers, or know where to direct customers for further information, and without risk of detriment.
- 4** All workers should be fully informed on the distribution and breakdown of service charges, tips, gratuities and cover charges and the level and purpose of any deductions. Businesses should seek to reach agreement with workers on any change of policy.

To download the Code visit [www.businesslink.gov.uk/tipping](http://www.businesslink.gov.uk/tipping)

## Benefits for you

**Increased customers:** 93% of British adults stated that they tip to reward good service; 79% of consumers want to read the tipping policy before they pay\*. Clearly state your policy and, clearly, you could attract new custom.

**Increased customer retention:** research suggests that 2 out of 3 consumers would return to a business where the tipping policy was transparent. The more customers you retain, the more people they will tell and bring along too.

**Media interest:** increase the likelihood of positive PR reviews for your business.

## Find out more

To find out more about adopting the Code of Best Practice on Tipping for your business and to download the Code, visit [www.businesslink.gov.uk/tipping](http://www.businesslink.gov.uk/tipping)

If you already practice a fair and transparent tipping policy, we'd like to hear from you. If you are happy for your business to be featured on our website, please email [tipping@bis.gsi.gov.uk](mailto:tipping@bis.gsi.gov.uk)  
This will be positive PR for your business.

\*Source: Consumer Focus – [www.consumerfocus.org.uk](http://www.consumerfocus.org.uk)



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