

INCORRECT & FRAUDULENT CLAIMS OF RECYCLED CONTENT IN PLASTIC PACKAGING - CHALLENGES AND SOLUTIONS

September 2025

01733 390021

enquiry@recoup.org

www.recoup.org



RECOUP is the UK's leading independent authority and trusted voice on plastics resource efficiency and recycling. As a registered charity, supported by our members, RECOUP aim to:

Inspire collaboration by connecting the whole plastics value chain

Lead the continued development of a plastic circular economy, resource efficiency, recycling and reuse

Educate the public and businesses on all aspects of plastics recycling and resource efficiency

The content and analysis contained in this report is based on the information received. While every effort has been made to ensure the accuracy of the contents of this publication, RECOUP cannot accept responsibility or liability for any errors or omissions. Opinions expressed by external contributors may not reflect RECOUP positions. Recommendations provided herein are offered for the purpose of guidance only and should not be considered legal advice.

All information contained in this report will remain the subject of copyright and any reference made to this document must ensure that RECOUP is credited.

©2025 RECOUP

All rights reserved.

Researched and written by:

Rob Haley

Steve Morgan

Sonia Sanchez

About This Report

The Plastic Packaging Tax (PPT) forms part of the UK Government's Resources and Waste Strategy. It was introduced on 1 April 2022 to create a clear economic incentive for using recycled plastic in the manufacturing of plastic packaging. By encouraging the use of recycled content, the tax aims to increase demand for recycled plastic, stimulate investment in recycling infrastructure, and improve the collection and processing of plastic waste – ultimately reducing reliance on landfill and incineration, and lowering the environmental impact of plastic packaging.

Under the current regulation, plastic packaging manufactured in or imported into the UK that contains less than 30% recycled plastic is subject to a tax of £223.69 per tonne.

The tax is currently undergoing an evaluation process to assess its performance against its stated policy goals, alignment with wider government objectives, and its broader impact on business and the environment. The evaluation is expected to conclude in 2026.

Whilst RECOUP is supportive of the tax and its core objective of increasing demand for recycled plastic, there is deep concern that the lack of a robust verification system and enforcement of recycled content claims is heavily damaging the competitiveness of the UK's plastic packaging industry. This issue is:

- Compromising the competitiveness and long-term viability of the UK plastic packaging manufacturers and plastic recyclers.
- Failing to drive real increases in collection rates and recycled content in the UK, as the demand increase is mainly satisfied by imported recycled plastic.
- Damaging the UK economy and weakening national resilience by compromising the long-term viability of the packaging manufacturing and recycling industry.

Urgent action is needed to strengthen enforcement and ensure the tax achieves its intended environmental and economic outcomes.



Methodology

Fifteen plastic packaging manufacturers, all members of RECOUP, were contacted and invited to share their knowledge regarding false claims about recycled content in the context of the PPT.

Seven of the fifteen manufacturers participated in the study, contributing insights through a combination of surveys and interviews.

Four organisations reported no direct experience with false recycled content claims, either due to operating in niche markets or working with long-standing, reputable suppliers. The remaining

three manufacturers indicated that they had been negatively impacted by such false claims.

This study focuses on how false claims made for Plastic Packaging Tax (PPT) purposes are affecting the UK's plastic packaging manufacturers. It does not cover the experience of UK recyclers, whose perspectives reflect wider market dynamics – such as changing customer relationships and future business risks driven by the influx of low-cost virgin material and falsely labelled recycled packaging in the global market.

Industry Background

Plastic recycled in the UK competes with both virgin plastic (produced domestically or imported) and imported recycled plastic, which comes primarily from East and Southeast Asia and Turkey.

UK recycled plastic typically costs more than virgin and imported recycled alternatives. This price gap is driven by several factors, including smaller production scale, limited feedstock availability, higher operational costs e.g. energy and wages (in developing countries child labour may be used), and stricter environmental, workplace safety and regulatory requirements in the UK compared to source countries.

Until the introduction of the Plastic Packaging Tax (PPT) in 2022, UK packaging manufacturers chose domestically recycled plastic over cheaper imports. This preference was driven by benefits such as shorter lead times, simpler logistics, reduced risks related to customs and currency fluctuations, and transparency on the sources of origin. Recycled material sourced within the UK also typically offers better traceability and regulatory compliance, which is crucial for food-contact packaging and further justifies local sourcing. As a result, UK recyclers were able to maintain a steady level of demand, even though their materials could be more expensive.

The introduction of the PPT was intended to stimulate demand for recycled plastic and encourage investment in domestic recycling infrastructure. This, in turn, was expected to drive down prices, enhance the competitiveness of UK recyclers and packaging manufacturers, and support broader environmental and circular economy goals. **The PPT is not having the desired impact and acting as a disincentive to invest in UK recycling infrastructure, which is evidenced by the number of facilities going into administration since its introduction.**



Verification Shortcomings: A Key Flaw in the PPT

The PPT lacks effective mechanisms to verify the validity of recycled content claims, particularly for imported plastic packaging produced overseas. **This regulatory gap enables falsely declaring recycled content or the percentage of it, deliberately or unintentionally, whilst using virgin plastic.**

As a result, some imports can avoid the PPT despite containing little or no recycled material, allowing cheaper virgin plastic to fraudulently enter the UK market under the guise of recycled content. This has two main impacts on plastic packaging manufacturers:

- 1 UK packaging manufacturers that use domestic recycled plastic face competition from manufacturers using cheaper plastic falsely claiming to be recycled.**
- 2 Jeopardises manufacturers' future ability to access UK-recycled plastic, which continues to decline.**

The widening price gap between domestic recycled plastic and imported plastic falsely claiming recycled content has reached a tipping

point, leading some packaging manufacturers who previously favoured locally sourced, traceable material to turn to cheaper imports. This shift is reducing demand for UK recyclers, discouraging investment, and threatening the long-term viability of the domestic recycling sector, which endangers packaging manufacturers' future ability to access UK-recycled plastic, which is essential for meeting tight deadlines and ensuring high levels of compliance and traceability (key in food contact packaging).

While the exact scale of fraudulent claims is unknown, it is known that such practices are occurring. Concerns are based on the unusually low prices of some imported materials and technical claims inconsistent with high recycled content. For example, stretch film is being marketed with 300% stretchability while claiming a high proportion of recycled content – a level of performance only achievable with 100% virgin material.

The added cost of incorporating 30% recycled content in plastic packaging produced in the UK varies by polymer type. For example, for stretch film, this is estimated to increase costs by double digit percentages, equating to a several hundred pounds per tonne premium – a cost that fraudulent material avoids. Additionally, working with recycled material may be harder on machinery, which could result in

higher maintenance and repair costs. Fraudulent material also avoids these costs, further diminishing UK recyclers and packaging manufacturers' competitiveness.

Manufacturers also report a lack of trust in the recycled content claims made by some overseas suppliers. As a precaution, some choose to purchase plastic that declares at least 50% recycled content to ensure compliance with the 30% PPT's threshold, therefore paying a higher premium for material that could be virgin plastic. This represents additional costs to business – one that in turn provides an incentive for use of fraudulent material but one that a more robust verification system could prevent.



In summary, the inadequate verification of recycled content claims allows fraudulent claims. As a result:

- The **cost gap between genuine UK recycled plastic and fraudulent imports continues to widen**, further reducing demand for domestically produced material and damaging the UK plastic packaging manufacturers' competitiveness.
- Lower demand discourages investment in the UK recycling sector, **preventing the industry from achieving the scale**, efficiency, and innovation needed to reduce costs and improve competitiveness.
- The **current system exposes well-intentioned importers to inadvertent fraud**, as they may unknowingly purchase packaging that falsely claims to contain recycled content.
- The **current system misleads consumers**, who believe they buy products with genuine environmental benefits, undermining trust in sustainability claims.
- The **failure to properly enforce the PPT prevents it from driving demand for recycled plastic and increasing collection rates**, meaning it does not support progress toward a circular economy.
- As a result, the **PPT fails to deliver its intended environmental benefits**, nor does it effectively support the UK's circularity ambitions and net-zero targets.
- The lack of verification also results in lost revenue for HMRC, as **fraudulent claims enable some importers to illegally avoid paying the Plastic Packaging Tax**.
- In the long term, the **lack of enforcement is potentially leading to the collapse of the UK's plastic recycling and packaging manufacturing industry**, with serious impacts on future UK competitiveness and capacity in this sector, leading to....

- 
- Loss of skilled jobs and local industrial capacity.
 - Increased dependence on imported recycled plastic, with associated supply chain risks.
 - Inability to recycle plastic waste domestically, at a time when more countries are restricting plastic waste imports.

Despite this, there are very limited reports of inaccurate or fraudulent claims of recycled content, and there are reasons for the lack of evidence. It's incredibly difficult to know if material contains recycled content or a specific percentage of recycled content, even if the documentation that accompanies the material looks credible. Even laboratory techniques to prove this are often inconclusive.

There are, of course, instances where it's technically impossible or improbable that

recycled content, or the level of recycled content, is in the material. A good example of this is stretch film, as outlined earlier in the report.

Where fraud or incorrect claims are suspected, affected businesses might not want to report this material as it could draw attention to their business, and risk reputational damage or even potential legal challenges. Where businesses know or suspect others are using it, it is not possible to substantiate.

Emerging Risk: Pre-consumer Waste Exclusion

From April 2027, the PPT will no longer recognise pre-consumer plastic waste as recycled content. While intended to strengthen the definition of recycling, this change introduces significant technical, logistical, and commercial challenges for recyclers who currently rely on pre-consumer material to meet product performance and operational needs. Furthermore, this will make the incorporation of 30% recycled content in flexible packaging challenging.

Today post-industrial flexible film printed filmstock and trimmings that cannot be reworked become waste and are used to enhance the quality of the post-consumer recycled content. Without this material being classified as recycled content for the purposes of the plastic packaging tax, the target of 30% recycled content will be difficult to achieve.

It is likely to result in an overall increase in the overall consumption of material to meet the required performance properties and may even lead to this material being uneconomical to produce in the UK and favour the import of such packing with fraudulent recycled content claims.

This policy shift will likely incentivise fraudulent claims, particularly falsely labelling pre-consumer waste as post-consumer. Regulators are advised to explicitly address this risk within the verification framework, ensuring that feedstock origin (pre- versus post-consumer) is auditable and consistently enforced.

The Solutions

In October 2024, RECOUP proposed five strategic considerations in our Considerations and Recommendations for a More Effective Plastic Packaging Tax report, to maximise the PPT's environmental effectiveness and prevent unintended adverse outcomes. At the core of these recommendations was one overarching priority: an absolute focus on enforcement and verification of the tax, which is seen as the essential foundation upon which all other measures depend.

1. Introduce a robust enforcement framework.
2. Gradual increase of the price point of the tax.
3. Modulated approach to increasing recycled content thresholds.
4. Reinvestment of revenues raised from the tax to support its objectives.
5. Delivering effective policy.

A transparent, robust and enforceable material verification framework is essential to prevent fraud in the declaration of recycled content under the PPT for both domestic and imported suppliers.

The recommendation is the implementation of one of the following options:

- A single, HMRC-recognised certification scheme for the UK.



- A unified set of verification requirements to be used by any certification provider, to be assessed by accredited third-party auditors.

These requirements should include on-site audits conducted by staff with appropriate technical expertise and should acknowledge existing international certifications where applicable to avoid duplication.

The verification system must also be proportionate and practical to be effective. It must minimise the administrative and financial burden on plastic packaging producers and buyers – especially SMEs – without compromising integrity.



To establish a transparent, honest, and practical framework that supports UK plastic packaging manufacturers and recyclers, RECOUP recommends the following actions:



Develop clear and effective material verification requirements for plastic packaging that claims to meet the 30% recycled content threshold. These requirements should enable the use of certification schemes or third-party verification to ensure consistency and credibility for both domestic and imported materials.



Ensure the verification system prevents pre-consumer material from being classified as post-consumer. This would reduce the risk of inaccurate claims and fraud, protect the credibility of recycled content declarations, and maintain a level playing field.



Co-develop and align verification requirements for mass balance systems used in chemical recycling with those for mechanical recycling for the purposes of the Plastic Packaging Tax. This alignment would enable shared research, methodologies, and oversight where possible across both mechanically and chemically recycled content, supporting innovation while maintaining integrity.



Development and implementation of a **transparency tool** specially for the plastic packaging tax to: 1) **report fraudulent activity**; and 2) provide information on **successful enforcement procedures** for both domestic and imported packaging with fraudulent declarations of recycled content.



Incorporate the five key principles outlined in the December 2022 RECOUP and BPF report, Recycled Content Verification Systems, to strengthen enforcement through a robust and practical verification framework:

- A consistent reporting mechanism and independent audit process.
- Recognition of international standards for recycled content and traceability.
- Annual in-person site audits, supported by a globally deployable pool of qualified auditors.
- Minimised administrative burden and cost, focusing on reporting that provides business value.
- Ongoing monitoring of scientific and laboratory-based testing techniques to explore complementary verification methods beyond traditional audits.

Conclusion

RECOUP supports the Plastic Packaging Tax as a policy tool to drive demand for recycled plastic, reduce environmental impact, and strengthen the UK's circular economy. They agree with the tax's core objective: to provide a meaningful economic incentive for incorporating recycled content into plastic packaging and to stimulate investment in domestic recycling infrastructure.

However, the lack of robust enforcement and verification mechanisms has led to unintended and damaging consequences. The absence of robust checks on recycled content claims for imported packaging has enabled fraudulent or inaccurate declarations, allowing cheaper virgin plastic to enter the UK market falsely labelled as recycled. As a result, UK-recycled plastic and UK packaging manufacturers look significantly less price-competitive than their overseas counterparts. This is undermining demand for domestic recycled content, discouraging investment, and jeopardising the long-term viability of the UK's recycling industry and leading to closure of much needed recycling capacity.

If this situation is not urgently addressed, the UK risks:

- **The loss of skilled jobs and recycling and manufacturing capacity**, eroding the UK's industrial resilience.
- **An increasing reliance on imported recycled plastic** with limited traceability and quality assurance.
- **Continued loss of HMRC revenue**, as fraud undermines the tax's intended fiscal and environmental impacts.

Urgent improvements in enforcement and verification are essential to unlocking the tax's full environmental and economic potential and safeguarding the future of the UK's recycling and packaging manufacturing sectors.

The recommendations would need careful design and consultation, but ultimately these interventions need to be at a scale and urgency that can meet the challenges outlined in this report head on.