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Submission To The Tobacco and Vapes Bill Committee

VendiTech Evidence Submission To The Tobacco and Vapes Bill Committee

1. VendiTech is grateful for the opportunity to contribute to the Tobacco and Vapes Bill call for evidence as it is laid in front of the House of Commons Public Bill Committee for consideration.

2. We applaud the steps outlined by the government to create more robust regulatory framework in the Vape Sector, as laid out in the Tobacco and Vapes Bill. The goal of which is to reduce the prevalence of tobacco smoking in society by utilising less harmful nicotine products in a controlled and regulated way, while limiting access to those not of legal age.

Section 1 – About us

3. VendiTech, a UK business founded in the North West in 2022, operate a number of vending solutions across multiple markets, one of which includes the nightlife sector, providing vending units that host a number of non-nicotine products as well as reduced harm nicotine products such as vapes and nicotine pouches. These machines offer customers of nightlife, many of which socially smoke, the opportunity to access substitute products in adult environments.

4. Obtaining Trading Standards Primary Authority in September 2022, VendiTech (along with other operators in the vending sector) have developed robust age verification protocols to ensure the safe sale of reduced risk nicotine products. Alongside Trading Standards, the industry has taken it upon itself to create and ensure multiple levers of compliance, while providing adult customers the choice to access reduced harm nicotine products in environments where there is a high density of smoking, aligning with public health objectives to reduce the consumption and harms of tobacco.

5. In Partnership with Buckinghamshire and Surrey Trading Standards VendiTech has established a benchmark for compliance within the wider vending sector. This standard has been adopted by other reputable operators, incorporating stringent measures such as age-restricted environments and digital identification at the point of purchase to ensure the safe and responsible sale of age-gated products.

6.   '*Vendi Tech's nightlife vending service is targeted towards bars and nightclubs in the UK, areas that are traditionally densely populated with tobacco smokers. The objective is to support tobacco smokers in reducing or eliminating their tobacco consumption, by providing access to the new, less harmful generation of non-tobacco nicotine products, such as e-cigarettes and nicotine pouches. These are delivered through vending machines located within nightlife establishments. This initiative is in alignment with the UK Government's Tobacco Reduction Plan, which aims to decrease tobacco consumption from 13% to 5% by 2030.*

7.   *We provide support to Vendi Tech to ensure their business model and operational practices meet satisfactory standards of compliancy. We have been working with Vendi Tech to ensure the developer of their concept and business model satisfactorily addresses legal compliance. In particular, we have assessed their procedures to ensure they are sufficiently robust to ensure that e-cigarettes products are not sold to under-age people.*' **- Buckinghamshire and Surrey Trading Standards Primary Authority Contact**

8. Similar cases regarding vending have been presented to the Committee for consideration, emphasising the principle that controlled access to vape and nicotine products for adults, as alternatives to tobacco, represents a net positive for public health.

9. With considerations taken from the impact assessment, we would like to demonstrate how vape & nicotine vending units, when implemented in age-restricted, controlled adult environments with appropriate protocols and safeguards, align with the public health objectives. This stance is supported by credible sector data, highlighting the relationship between social settings and tobacco to smoking, as well outlining robust age- gated protocols and evaluating the disconnect between government objectives and the proposed legislation. Targeting efforts towards social settings is an important factor to reduce tobacco use by adults who smoke.

Section 2 - Addressing the Regulatory Impact Assessment (IA)

10. The Impact Assessment (IA) for the proposed ban on vape and nicotine vending[1] contained inconsistencies, resulting in potentially inconsistent provisions within the Bill. Some assumptions in the IA do not accurately represent the vending sector, while direct comparisons to cigarette vending machines are flawed, due to the evolution of verification technology, compliance measures, and societal impact.

11. As noted by the Department of in the IA: *"We have not been able to test several of our assumptions with stakeholders"* and *"where possible and in the absence of other data on vape vending machines, we have used data on cigarette vending machines, as a proxy market."* Although the Government could have mandated age verification in, and banned advertising and promotion from vending machines, they acknowledge in the IA *that "it is not a legal requirement to use the best possible methods of age verification, and we do not have data or evidence available on the proportion that do."*

12. The Assessment presented the following options:

- **Option 1 (Do nothing/BAU)-** continue without restrictions on vaping and nicotine product vending machines.
- **Option 2 (Preferred)-** Full ban on vaping and nicotine product vending machines.
- **Option 3-** Restrict where vape vending machines can be operated to age restricted over-18 premises.
- **Option 4-** Mandate specific age-verification software (e.g. biometric)
- **Option 5-** Restrict both the location of vape vending machines and mandate specific age verification.

13. Youth access is mitigated by placing vending units in adult-only premises, such as bars and nightclubs where customers' ages are physically verified upon entry in compliance with alcohol licensing laws.

14. The assessment notes the option to*: 'Restrict where vape vending machines can be operated to age restricted over18-premises: By making it an offence to locate a vape vending machine anywhere that is not age-restricted, this would remove most instances of where under-18s could access these machines. However, if under-18s were able to access the premises then they would be able to access the vending machine'*.

15. This disregards the safeguards added through digital age verification protocols integrated into machines, employing the same technology the government plans to roll out for digital ID to facilitate alcohol purchases.

16. Comparisons to tobacco vending machines are therefore not accurate. As noted in the assessment, *"the primary rationale for banning these machines was that they were an established pathway by which the tobacco industry could bypass age of sale laws, allowing tobacco to be accessed by under-18s."*

17. VendiTech and the reputable vending sector favours the option to: '*Mandate specific age-verification software (e.g. biometric)'.* The IA suggests an option to: *"Mandate age-specific age-verification software (e.g., biometric): There are various methods of age verification, some more reliable than others. By regulating to mandate specific forms of age-verification software or setting a duty to use the most effective, it may be possible to ensure that instances of under-18s bypassing the vending machines are minimal. For example, the use of biometric scanning and legal ID (like an e-passport gate) could be*

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[1] https://publications.parliament.uk/pa/bills/cbill/59-01/0121/impactassessment.pdf

mandated, which might be difficult to fool. However, this approach would require a lot of technical knowledge to enforce."

18. However, this same technology is already being used online to prevent underage sales and is also central to the government's new plans for gating alcohol sales.

19. The IA states: *"While there is more robust age verification software available, it does not prevent or enable any check on proxy purchasing given that there is no human element to check whether an over-18 may be accompanied by younger individuals."*

19. Proxy sales can occur with any product once a verified sale has been made, regardless of the setting and including the Government's new plans for digital age verification for alcohol purchases. For example, a customer could use a digital ID to buy multiple alcoholic drinks and then provide one to someone underage. Once a product is sold to someone legally eligible to purchase it, there is no practical mechanism to prevent that individual from passing it to someone underage.

20. VendiTech supports the option 5 in the IA: **Restrict both the location of vape vending machines and mandate specific age verification.**

21. The concerns around proxy sales have been addressed above. However, the IA states: *"These options were considered but were discounted due to not meeting the objectives, therefore they have not been considered in this Impact Assessment. The primary reason for not taking these options forward is that they do not remove the risk of individuals using machines for proxy purchasing. Even if machines were restricted to over-18 premises, those over the age of 18 could quickly access potentially unsupervised machines in areas like pubs, gambling establishments, and nightclubs and commit proxy purchases. They may have to verify their age with a human at the door but likely would not have to do so again—whilst this is more of a deterrent than non-age-restricted premises, it is still easier than proxy sale from a staff member who has the opportunity to detect a potential offence."*

22. This concern is mitigated by the mandated use of digital age verification technology, which ensures that the individual making the purchase is of legal age, which is consistent across any sector where digital ID is used to make a purchase of an age restricted good, including alcohol.

Section 3 – Recommendations

23. It is important to highlight that cigarette vending machines, which were outlawed in 2011, not only sold a product significantly more harmful than vapes but also lacked the ability to utilise digital identification technology to ensure adult-only access, as such technology did not exist at the time. In contrast, digitalised vape vending machines, which stock products designed to move people away from tobacco, and equipped with government-backed digital identification measures, mitigate these risks and cannot be equated with cigarette vending.

24. There is a misalignment between the Government's upcoming plans to utilise Digital Verification in the hospitality sector for age gated sales of alcohol, and the contradictions that are present in the Impact Assessment's utilising the same technology for tobacco harm reduction products.

25. We respectfully urge the Committee to consider the following recommendations:

25.1 Engage With Relevant Stakeholders: Rather than move ahead with the ban on all vending machines in all settings, Government should first consult directly with relevant stakeholders to address concerns and create a balanced regulatory framework that supports public health goals.

25.2 Restrict Vape Vending Machines to Health Settings And To Over-18 Premises: Limit vending machines to health settings and to age-restricted venues which already enforce their own age verification

processes to ensure only adults are admitted. Combined with digital verification protocols, this creates two layers of protection against underage sales.

25.3 Recognize digital verification as a robust and accurate framework for ensuring the safe sale of adult-only products. This aligns with the Government's own plans for using digital ID verification for alcohol sales, and ensures purchasers meet the legal age requirements.

25.4 Allow For Targeted Availability in High-Density Tobacco Settings: Provide clear guidance that supports the placement of vape vending machines in locations with a high density of tobacco smokers to effectively target harm reduction.

Section 4 - Social smoking prevalence and adult nightlife environments

26. 34% of adults who currently smoke or had quit in the past year identified as having a social smoking identity[2]. 'Social smoking' typically occurs predominantly or exclusively in the presence of others who are smoking and is extremely prevalent in the nightlife sector.

27. Accessibility to reduced harm nicotine products in social settings becomes an important factor in reducing social tobacco smoking in the core demographic of smokers – with appropriately targeted regulated, age-gated vending units providing a compelling solution.

28. Social smoking, identified by 34% of adults who currently smoke or recently quit, is growing, rising from 31.9% in 2014 to 36.5% in 2021[3]. Despite lower dependence and more quit attempts, it is not linked to higher quit success. With 68.9% of smokers progressing from trying a cigarette to daily use, limiting smoking uptake is crucial.

29. The BBC report that the likelihood of progressing from trying a cigarette for the first time to a daily habit is 68.9%[4], underpinning the importance of limiting uptake of cigarette smoking, particularly when considering the significant proportion of smokers identifying as social smokers.

30. The Office for National Statistics found that people aged 25 to 34 years had the highest proportion of current smokers in the UK (16.3%)[5]. This core demographic of smokers correlates with the 25-44 age group, which also constitutes the largest share of adults frequenting pubs, bars, and clubs in the UK (59.3%)[6]. Meanwhile, e-cigarette use for quitting smoking increased from 26.9% in 2013 to 41.4% in 2024[7] showing the growing role in these products in tobacco harm reduction.

31. The government recognises the importance of tobacco cessation tools in guiding smokers away from tobacco products. Data collected from 54,251 adults (aged ≥18) between October 2013 and May 2024 highlights significant increases in the use of e-cigarettes to support smoking cessation. The proportion of adults using e-cigarettes for this purpose rose from 26.9% in October 2013 to 41.4% in May 2024[8].

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[2] https://www.sciencedirect.com/science/article/pii/S0376871624002667
[3] https://www.sciencedirect.com/science/article/pii/S0376871624002667
[4] https://www.bbc.co.uk/news/health-42619664
[5]
https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/adultsmokinghabitsingreatbritain/2022
[6] https://www.statista.com/statistics/557584/going-to-pubs-bars-clubs-by-age-uk-england/#:~:text=More%20than%20half%20of%20all,category%20visiting%20such%20an%20establishment.
[7] https://pmc.ncbi.nlm.nih.gov/articles/PMC11580220/
[8] https://pmc.ncbi.nlm.nih.gov/articles/PMC11580220/

Section 5 - Adult Restricted Placement & Digital Age Verification Protocols

32. The first layer of security for these machines is their placement in licenced, adult-only venues such as bars and nightclubs. These licenced establishments enforce their own age verification protocols to prevent minors from accessing the premises. Door security staff are present to physically verify the identification of patrons entering after specific times, ensuring compliance with strict alcohol licensing laws.

33. In addition to these venue-level measures, VendiTech and other vending industry operators employ robust, government-backed digital age verification technologies. VendiTech partners with providers Age Checked UK and Yoti, leaders in digital ID verification. This same ID technology is widely adopted across various other sectors, including by major organisations such as the Post Office, Lloyds Bank, Instagram and E-commerce of age restricted goods.

34. Prior to integrating Digital Age Verification, Vendi underwent due diligence in the Digital Age Verification sector to ensure all the required thresholds of compliance were met.
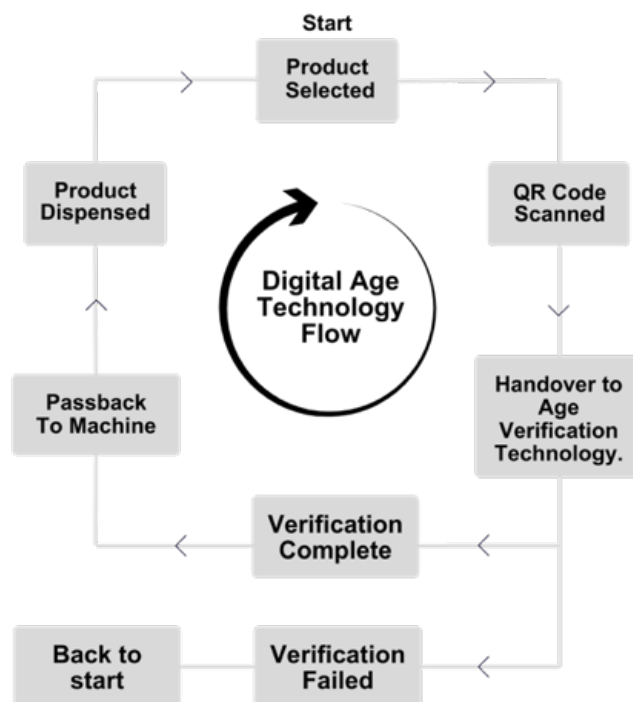
35. The Government has recently announced plans to integrate Digital ID for alcohol purchases in the hospitality sector[9] which demonstrates trust in digital age verification systems by the government as a way to safely ensure adult access only. Given the significant negative societal impact of alcohol compared to vaping—which is recognised as a harm reduction tool by the NHS—it is unclear why the Bill does not include a

36. By hosting vending machines in age-restricted environments and employing government backed digital age verification, VendiTech ensures that access to tobacco harm reduction products is strictly limited to those of the legally required age who undergo verification prior to gaining access to products within a vending unit.

Section 6 – How Digital Age Verification works on our machines

37. The digital verification process ensures that customers confirm their identity and age before gaining access to age-restricted products. When interacting with a vending unit, customers are presented with a QR code on the digital screen, clearly highlighting that the product requires age verification prior to a purchase being made. After scanning the code with their mobile phone, the QR code redirects them to a Yoti/Age Check weblink or opens the Yoti/Age Check App (if they have it pre downloaded). They also have the option to download the app at this stage. They then follow the steps to verify their age and identity using government-backed technologies such as Yoti and Age Checked UK. This involves scanning the front and back of their ID, with an additional layer of biometric face scanning if necessary.

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[9] https://www.gov.uk/government/news/pubgoers-given-choice-to-prove-age-with-phones-next-year-in-boost-for-high-street-and-hospitality-sectors

38. Unlike bar staff, digital ID systems eliminate bias and are less prone to errors. For example, Yoti's True Positive Rate (TPR) for correctly identifying 13 to 17-year-olds as under 25 is 99.91%, with no discernible bias across genders or skin tones. The TPRs for females and males aged 13 to 17 are 99.85% and 99.96%, respectively[10]. These high accuracy rates exemplify why the government recognizes this technology as a reliable method for ensuring compliance in the sale of age-restricted products, such as alcohol.

39. The combination of tobacco smokers accessing cessation products and robust digital age verification protocols, as outlined in the Government's Plans for Change[11] positions vending as a solution for consideration that aligns with Government objectives for both the hospitality and vape sectors – with regard to the latter; having only licenced premises sell vapes and ensuring age verification protocols are adhered to.

Section 7 - Conclusion

40. With the increasing reliance on digital verification in the hospitality sector, coupled with robust protocols for vending cessation products in adult-only venues, it is possible to strike a balance between accessibility and responsibility. These products must remain available as effective tools for tobacco harm reduction while ensuring they are accessible only to adults through stringent verification systems.

41. The hospitality sector is synonymous with social smoking of tobacco, which goes against public health objectives, and alternatives must be accessible to smokers.

42. The hospitality industry also faces immense financial challenges, with reports indicating three venues close weekly due to rising economic pressures. Accessibility through Vending units offer multiple benefits, including generating additional revenue streams, reducing customer outflow as patrons are less likely to leave venues to purchase nicotine products, and supporting tobacco reduction efforts by giving people to option to switch to reduced harm products.

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[10] https://www.yoti.com/wp-content/uploads/2023/12/Yoti-Age-Estimation-White-Paper-December-2023.pdf

[11] https://www.gov.uk/missions

43. To maximise the potential of safer nicotine products in alignment with the government agenda and support the hospitality industry, a standardised approach to digital verification is crucial. By applying consistent verification protocols across all channels, these systems can empower adult smokers to transition away from tobacco while maintaining strict age restrictions. This approach is particularly relevant in dense, adult-only social environments, where many smokers are seeking alternatives to traditional tobacco products.