

Consultation Options Assessment

Title: Regulation of the sale and importation of knives

Type of measure: Primary Legislation

Department or agency: Crime Directorate, Home Office

COA number: HO COA 1007

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Date: 16 December 2025

1 Summary of proposal

1. The Government has a mission to halve knife crime in a decade¹ and the Home Office are driving an ambitious programme of work to achieve this.
2. In October 2024, the then Home Secretary commissioned Commander Stephen Clayman, the National Police Chiefs' Council (NPCC) lead for knife crime, to conduct a full review into the online sale and delivery of knives. The Independent end-to-end review of online knife sales (also known as the Commander Clayman report)² was published on 19 February 2025 and made a number of recommendations. The Government immediately accepted the recommendations on stronger age verification and retailers reporting bulk purchasers. Other recommendations within this report

¹ Labour Manifesto 2024 - <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf#page=66> (page 66)

² Independent end-to-end review of online knife sales (accessible) - GOV.UK:
<https://www.gov.uk/government/publications/independent-end-to-end-review-of-online-knife-sales/independent-end-to-end-review-of-online-knife-sales-accessible>

included introducing a registration scheme for sellers (recommendation five) and importers of knives (recommendation seven).

3. The Government are now exploring the introduction of a licensing system. The Home Office are proposing that this would apply to all sales of knives, whether online or offline.
4. The Home Office will launch a public consultation and are inviting views on the licensing proposals. In particular there is an interest in the possible effect that proposals will have on businesses, which will enable the department to make a more informed assessment of costs and impact.

2 Strategic case for proposed regulation

What is the problem under consideration?

5. There is already a licensing scheme in operation in Scotland, the Scottish Knife Dealers Licensing scheme³, which applies to businesses and regulates the sales of non-domestic knives. However, elsewhere in the UK, anyone can sell or import a knife, be it a business or a private seller. This means that both Trading Standards and the police do not know exactly who is selling or importing knives in their local area. It means law enforcement has to rely on proactive searches or intelligence to identify sellers and where knives have come from in investigations.
6. It also means that sellers may not be aware of knife legislation, in particular if knives are not the main product they sell, and there is no oversight of those selling knives. The sales of knives may not be as thorough as they should be to ensure they are not sold to those under 18 years old or those intending on using them for violence.
7. No checks are conducted on sellers' suitability to sell knives. For instance, someone with a history of crime, even violent crime, could sell knives without this being known to the police or the local authority in their area.
8. As outlined in the report of the Independent End-to-End Review of Online Knife Sales by Commander Clayman⁴, introducing licensing for sellers could cause sales to shift abroad with individuals instead choosing to import knives. To ensure sellers licensing isn't circumvented, the Home Office would also look to introduce import licences so that only certain retailers or individuals can ship knives into the UK.
9. Enforcement agencies would be able to monitor whether sellers comply with any licensing conditions and may take enforcement action where sellers do not comply.

What evidence is there to support the problem statement?

10. As there are currently no requirements to becoming a knife seller, it is difficult to determine how many sellers of knives operate in England and Wales and whether they

³ [Knife dealers licence \(Scotland\) - GOV.UK - https://www.gov.uk/find-licences/knife-dealers-licence-scotland](https://www.gov.uk/find-licences/knife-dealers-licence-scotland)

⁴ Independent end-to-end review of online knife sales:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=12 (page 12)

are complying with existing knife legislation, such as not selling knives to those under the age of 18 years. The Independent end-to-end review of online knife sales⁵ showed the issue of sales of knives happening through social media platforms and instant messaging, and enforcement agencies finding it more difficult to monitor these sales to ensure they comply with the law and not selling knives to those aged under 18 years.

11. The Home Office needs to ensure that it is known who is selling and importing knives and ensure that they comply with the law in not selling to individuals aged under 18 years. Requiring sellers and importers to hold a licence will allow the police to keep a database of sellers and importers to quickly identify where knives or bladed articles may have come from. This will enable the police to easily identify those who are selling such items without a licence and take enforcement action.
12. In addition, any proposed checks on sellers wishing to continue to sell knives, for example, criminal record checks, will ensure that only those who are willing to go through those checks and to comply with the licensing requirements are able to sell knives. A study⁶ looking at the effects of background checks on violent crime found some components of background checks appear to reduce homicides or violent crime.
13. This should result in more responsible sales and would offer a level of reassurance to the public that enforcement agencies are able to regulate the trade.

Why is Government action or intervention necessary?

14. Data⁷ for the year ending June 2025 showed that knife enabled crime decreased by 5%, to 51,527 offences, compared with year ending June 2024. Police recorded 518 homicide offences in this period with knives or sharp instruments used in 38% of these homicides. These results show progress, but we are not complacent and know there is much more to do.
15. The Home Office expect that the introduction of a licensing scheme for sellers and importers will enable enforcement agencies to monitor more closely that sellers comply with the law and enable them to take quicker action where there is non-compliance. This in turn may deter irresponsible sellers and reduce the number of people owning bladed articles where they intend to use these for violence.

What gaps or harms would occur if Government doesn't intervene?

16. Without Government intervention, it would be difficult to tackle irresponsible sellers of knives.
17. The Home Office will be working with stakeholders and conducting a public consultation to carefully understand the effects, likely challenges and measures of success throughout the policy development.

⁵ Independent end-to-end review of online knife sales:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report.pdf#page=11 (page 11)

⁶ Effects of Background Checks on Violent Crime | RAND:
<https://www.rand.org/research/gun-policy/analysis/background-checks/violent-crime.html?>

⁷ [Crime in England and Wales - Office for National Statistics](#)

Independent review of online sales of knives

18. The Independent end-to-end review of online knife recommended introducing a registration scheme for those engaged in the sale of knives, and import licensing to prohibit unlicensed importation of knives.
19. Regulating sales of items that could be abused or used for malintent is not new, for example, there are strict regulations around the sale of alcohol, and firearms. The licensing systems that already exist for alcohol and firearms will be used to inform thinking for knife licensing.

3 SMART objectives for intervention

What are the policy objectives of the action or intervention and the intended effects?

20. The overall objective is to enhance transparency on the sale, exchange and ownership of knives. This will enable more efficient investigations by the police and law enforcement agencies and add onus on sellers to ensure that they sell bladed articles within the parameters of the law.
21. Whilst the Home Office is not suggesting that the regulation of sales and imports will eradicate knife-enabled crime and violence, these proposals should be seen in the context of, and contributing to, the wider action of halving knife crime in a decade. Tighter regulation, together with measures being brought forward in the Crime and Policing Bill⁸ including tougher sanctions for tech executives who fail to remove illegal knife crime content from their platforms, more rigorous age-verification for online sales and delivery of knives, and reporting of suspicious sales of knives and bulk purchases, should provide a deterrent effect and reduce the number of people who sell knives irresponsibly and those who acquire bladed articles and knives to use for violence.

What are the intended outcomes of intervention?

22. The policy should deliver clarity on who is selling knives and that they are doing so responsibly. It should provide reassurance to the public that those who are selling knives are doing so in accordance with the law, making clear where knives are being sold illegally, and allowing for enforcement action to be taken.
23. From December 2023 to December 2024, 1,992 children (those under the age of 18 years) and 11,687 adults were convicted for possession of article with a blade or point.⁹ This measure should help to reduce the number of knives and bladed articles that are sold to those aged under 18 years and to those intent on using knives or bladed articles for violence.
24. The Home Office is conducting a public consultation to test the proposals and gather views from the public and the main stakeholders, such as the police and victims of knife crime.

⁸ Crime and Policing Bill - Parliamentary Bills - UK Parliament - <https://bills.parliament.uk/bills/3938>

⁹ Criminal Justice System statistics quarterly: June 2024 - GOV.UK:
<https://www.gov.uk/government/statistics/criminal-justice-system-statistics-quarterly-december-2024>

Are there any other indicators of success that should be considered?

25. Once the proposals come into force, it would be easy to obtain data on the number of licences that have been issued. This would provide a good indicator on how well the measures are working, as it can be compared relative to the number of known sellers.

How do these objectives align with the Government's objectives, for example around growth?

26. In its manifesto, the Government has set out its intention to halve knife crime in the next decade¹⁰. These proposals are in line with that commitment.

4 Description of proposed intervention options and explanation of the logical change process whereby this achieves SMART objectives

27. Introducing licensing would ensure that importers and sellers of knives and bladed articles have undergone thorough checks by the police as to their suitability to sell knives. The requirement for a licence to import or sell knives would likely reduce second-hand knife sellers or peer-to-peer sales, often referred to as the 'grey market', which involve reselling knives via social media and sales platforms, and can be legal or illegal. This measure would improve transparency and the intelligence available to the police on who is engaged in online knife selling, this could help to target illegal or illegitimate sellers and as such lead to a reduction within the grey market.
28. These second-hand or 'grey market' sellers are typically the ones selling knives to those under the age of 18 years or for violent purposes. They would likely not apply or meet the conditions to hold a licence to sell knives, making it easier for the police to take action where they are found to be selling knives without a licence. This would lead to a reduction in the illegality of the grey market, that is, knives sold online to those under the age of 18 years or to those who plan to use these items for violence.
29. Having a database of importers and sellers of knives would make it clearer and easier for enforcement agencies to identify and act against those who do not have a licence and who may not be selling such items within the law. This would also assist enforcement agencies in their investigations when needing to identify where knives or offensive weapons have come from.
30. Requiring those who hold a licence to sell knives to follow a code of conduct to continue to retain a licence would increase importers and sellers' understanding of the legislation regarding the sale of knives and offensive weapons. This in turn should lead to more responsible knife sales as a better understanding of legislation would mean sellers put in place comprehensive processes for checking age and reporting bulk and suspicious purchasing.

¹⁰ Labour Manifesto 2024 - <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf#page=66> (page 66)

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31. The licensing scheme is included as one of the recommendations within the Independent end-to-end review of online knife sales¹¹. In addition to this, the licensing scheme builds upon international research which found that US states which had firearms licences and inspections were associated with lower homicide rates¹². Furthermore, it also complements other US research which found that dealer background checks may decrease firearm homicides¹³.
32. This Theory of Change flowchart (see Figure 1) is intended to present the effect of interventions from the formation of policy to the outcomes of this intervention.

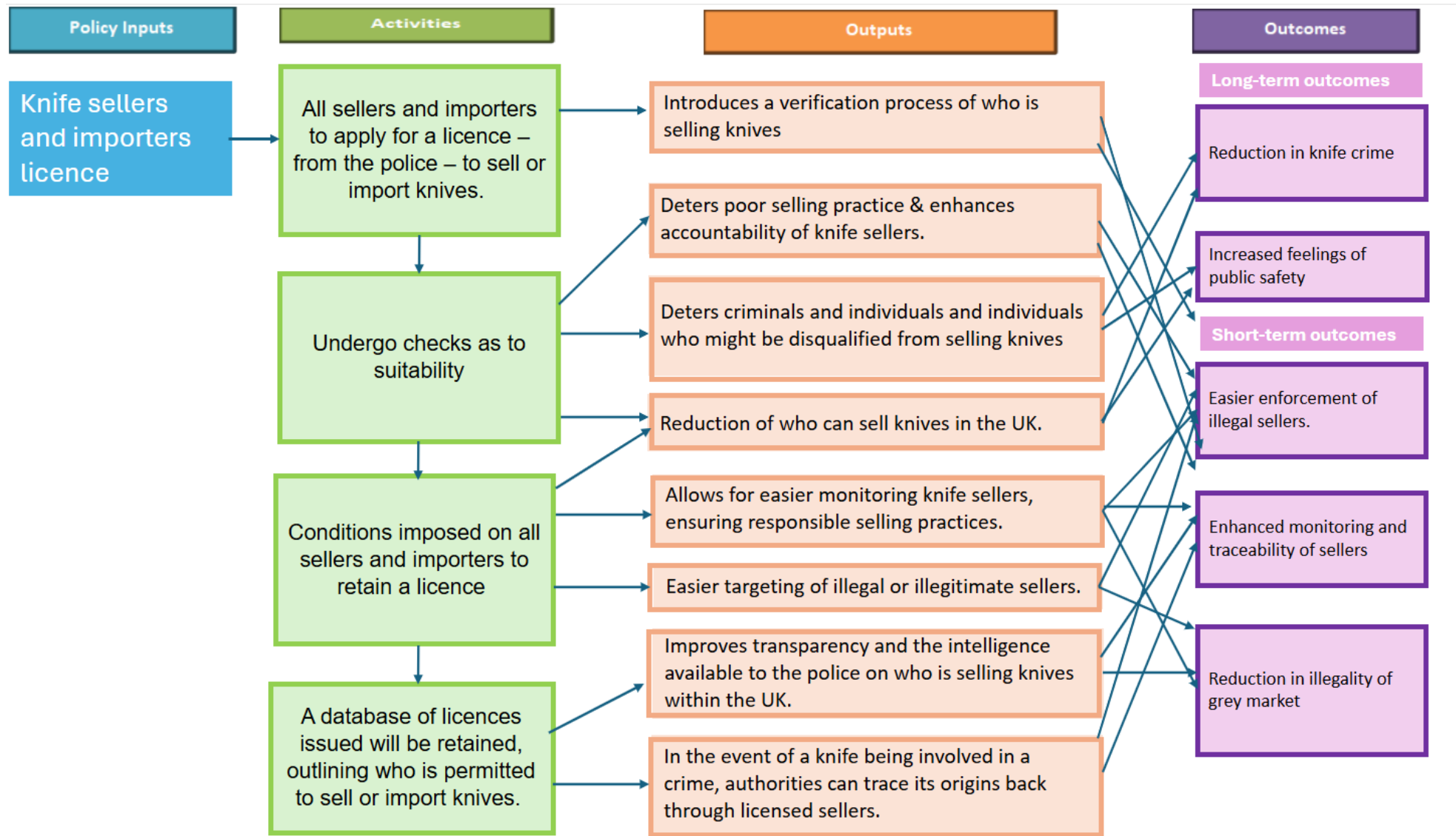
¹¹ Independent end-to-end review of online knife sales:
[https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review -
Online Knife Sales Final Report .pdf#page=12](https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=12) (page 12)

¹² Evaluating the Effect of State Regulation of Federally Licenced Firearm Dealers on Firearm Homicide:
<https://pmc.ncbi.nlm.nih.gov/articles/PMC4103238/>

¹³ Effects of Background Checks on Violent Crime:
<https://www.rand.org/research/gun-policy/analysis/background-checks/violent-crime.html?>

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Figure 1: Theory of Change



5 Summary of long-list and alternatives

Option 0 – ‘Do nothing’.

33. The Home Office would continue to allow anyone to sell and import knives and bladed articles with no conditions or requirements attached. This option has been discounted as would not meet the Government objective in ensuring there is control over who sells and imports knives and bladed articles. This also would not meet the objective of understanding who is selling knives and where they are coming from to help enforcement agencies in their investigations

Option 1 - Launch a campaign to educate those selling knives on all the existing legislation for offensive weapons and bladed articles.

34. This option has been discounted as it would not give enforcement agencies any level of control on who should be selling and importing knives and it would not meet the policy objectives in ensuring there is control over who sells and imports knives and bladed articles. It also would not allow law enforcement to identify who is selling knives and where they are coming from. This option would likely not prevent those intent on selling knives to those aged under 18 years or with the intent on using the knife for violence.

Option 2 - Provide more training for enforcement and Border Force on existing legislation for offensive weapons and bladed articles and their options for dealing with knife crime.

35. This option has been discounted as it would not give law enforcement any level of control on who is or should be selling and it would not meet the policy objectives. This would not improve sellers and importers understanding of legislation and would not lead to more informed and more responsible selling and importing of knives. Border Force already deal with a lot of imports, and this would not give them more resource to enable them to check more imports and ensure these comply with legislation. It is likely this option would not lead to a better understanding of where knives are coming from or stopping knives being illegally imported.

Option 3 - Introduce a licensing scheme similar to the Knife Dealers Licence in Scotland¹⁴

36. This option would only introduce licences for businesses selling non-domestic knives. Given the most commonly used sharp instrument for homicide was a kitchen knife (109 homicides) in the year ending March 2024, up eight per cent on the previous year (101)¹⁵, this option has been discounted as would likely not ensure more responsible sales of kitchen knives. This option would also not deal with the ‘grey market’ sales of knives that the Independent end-to-end review of online knife sales¹⁶ outlined as these

¹⁴ Knife dealers licence (Scotland) - GOV.UK - <https://www.gov.uk/find-licences/knife-dealers-licence-scotland>

¹⁵ Homicide in England and Wales - Office for National Statistics - <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/articles/homicideinenglandandwales/yearendingmarch2024#the-most-common-methods-of-killing>

¹⁶ Independent end-to-end review of online knife sales: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=9 (page 9)

sales are typically not conducted by businesses meaning it is likely these 'grey market' sellers would continue.

Option 4 - Introduce a light touch registration scheme for all sellers and importers with no requirements attached.

- 37. Those wanting to sell or import knives and bladed articles would need to register, however checks for registering would be minimal and no conditions or requirements would be attached to holding a licence.
- 38. This option has been discounted because it would not give the police complete control over who can sell knives and assessing their suitability to do so. It would also not enable us to put conditions and requirements on sellers and importers and would not necessarily ensure more responsible sales of knives.

6 Description of shortlisted policy options carried forward

Sellers Licence Options

Option 5 - Introduce a licence scheme for all sellers of knives/bladed articles

- 39. Regulating the sale of knives will involve requiring all sellers to apply for a licence from the police, to sell knives or bladed articles. A database of licences issued will be retained, outlining who is permitted to sell knives. There will be conditions and requirements attached to holding a licence which the public consultation will help to determine.
- 40. This option would best meet the objective in ensuring there is control over who sells, ensuring that all sales of knives are done so responsibly and only by those who do not pose a threat to the public. This would also allow the Home Office to impose conditions and requirements which if not met could result in a licence being revoked. The need to reapply for a licence should ensure that should a licence holder's personal situation change, then their suitability to hold a licence can be reassessed.
- 41. As this scheme is proposed to be self-funded this option would align with the Government's process of passing on costs of services¹⁷. This would have the biggest impact on businesses as anyone selling any knife or bladed article would have to have a licence to do so, however it should give the public confidence that the knives and bladed articles are being sold responsibly and within the law

¹⁷ Managing Public Money May 2023 (page 49) - Managing Public Money May 2023 (page 49) - https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf#page=49

Option 6 - Introduce a full licence scheme for only online sellers of knives/bladed articles.

42. Regulating the sale of knives will involve requiring all online sellers to apply for a licence from the police to sell knives. A database of licences issued will be retained by the police, outlining who is permitted to sell knives online. There will be conditions and requirements attached to holding a licence which the public consultation will help to determine. No licence would be required for sales not made online.
43. This option would meet the objective of ensuring knives which are only being sold online are done so responsibly and are regulated. The unregulated online sales of knives is a substantial concern, as outlined in the Independent end-to-end review of online knife sales¹⁸, which this would deal with. This option could displace sales meaning the police would not have a full picture of all knife sellers and the Government would not be able to impose conditions and requirements on those not selling knives online. This option would require less resource from the police as there would be fewer licences required and would have less impact on businesses that only operate from a physical location, like stores, offices, or factories.

Option 7 - Take a phased approach, introducing licences for only online sellers and later expand to cover all sellers.

44. Regulating the sale of knives will involve requiring all online sellers to apply for a licence from the police to sell knives. Once the system is set up and working, the Home Office would look to expand to cover all sellers of knives including businesses that operate from a physical location. There will be conditions and requirements attached to holding a licence which the public consultation will help to determine.
45. This option would meet the objective of ensuring all knife sales are done so responsibly by trusted sellers. The phased approach would allow monitoring of the police's capacity to issue licences and the effect on businesses and would allow for adapting processes where necessary.

Importers Licence Options

46. The Independent end-to-end of review of online knife sales review highlighted the risk that tougher regulation on the UK market could increase the number of knives imported or cause UK businesses to shift abroad, to circumvent sellers licensing. Requiring import licensing would ensure the Home Office are still meeting the objectives of understanding where knives and bladed articles are coming from and ensuring those who are selling and importing these items are doing so responsibly and within the law. The Home Office will also seek to introduce licensing for all knives and bladed article imports and have shortlisted the four options below as to who should be able to import.

Option 8 - Authorised Importer Scheme

47. One approach would be to legislate so that all imports of bladed products are required to be done via a UK based authorised importer. This option would have the advantage of having a relatively small number of authorised importers, making monitoring and

¹⁸ Independent end-to-end review of online knife sales (accessible) - GOV.UK:
<https://www.gov.uk/government/publications/independent-end-to-end-review-of-online-knife-sales/independent-end-to-end-review-of-online-knife-sales-accessible>

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enforcement easier for enforcement agencies and meet the objective of enforcement agencies better understanding where these items are coming from. Fewer licences would also limit the impact on police resource in issuing licences. As this scheme is proposed to be self-funded this option would align with the Government's process of passing on costs of services¹⁹.

48. This option might result in a lack of competitive pricing, and, as a result, lack of choice for the consumer and higher costs of the products to the end buyer.

Option 9 - Import Licensing Only for Retailers but Not Private Individuals.

49. This option would allow any retailer to apply for an import licence. The advantage of this is that smaller retailers would get to decide what they want to import. This scheme would allow for overseas sellers to apply for an import licence as well as UK-based sellers. This would meet the objective of understanding who is importing and where knives and bladed articles are coming from. As the scheme is proposed to be self-funded this option would align with the Government funding constraints.
50. As a negative this would likely result in a higher volume of licences being issued than under Option 8, and consequently create some challenge for Border Force in needing to monitor larger numbers of imports and ensuring these imports have the relevant licence. The consultation period will be used to explore these challenges with Border Force.

Option 10 - Licensing for all Importers - Retailers and Private Individuals.

51. The Home Office are also considering whether any seller, including private sellers which are not registered businesses, should be able to get a licence and therefore still be able to import items directly from overseas.
52. This option would meet the objectives in understanding where knives and bladed articles are coming from for the majority of imports but may cause more administrative and enforcement burden on the police with potentially more licences being issued.

Option 11 - Combined import / sellers' licence.

53. This option proposes that for businesses which import directly and sell to the public, there should be a combined import and sellers' licence
54. This option would meet the objective of understanding where knives are coming from for police to monitor and take action whilst minimising the financial and administrative burden on sellers and the police. The process for getting a licence would be the same for importing or selling meaning this option would meet the objective of ensuring those importing and/or selling a knife are safe and suitable to do so.

Purpose of the Consultation

55. The Home Office want to hear from sellers and importers about the impact this scheme would have on them to mitigate impacts where needed and be able to consider the effects of the proposed options outlined in this Consultation Options Assessment.

¹⁹ Managing Public Money May 2023 (page 49) - [Managing Public Money May 2023 \(page 49\)](https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf#page=49)

56. The Home Office want to use the consultation to explore details of the proposed licencing schemes such as how long a licence should last, and what requirements there should be for getting a licence.

7 Monitoring and evaluation

57. The impact of import and seller licensing remains uncertain. Ongoing monitoring, evaluation and research on the main evidence gaps is crucial to understanding the wider impact of these changes.
58. The Home Office will monitor the number of licensing issued for both sellers and importers to understand the scale of businesses affected. The Home Office will continue to utilise the Knife Crime Coalition²⁰, which may help in understanding any unintended consequences for businesses and households.
59. Additionally, the Home Office will conduct further business engagement to help understand any additional burdens. This is likely to take the form of a survey post implementation or through meeting with trade and business associations. This could also provide important information before any extension in licensing.
1. Questions may also attempt to understand key unknowns/risks, such as the extent licensing could have inflationary impacts on prices. This may also be cross-checked by examining retail knife prices and comparing this to wider levels of inflation within the economy and similar products.
2. There is currently no legal obligation for police to record the types of knives involved in offences or their origins²¹. Consequently, many police forces lack knowledge of where or how offenders access weapons. A survey of law enforcement highlighted this issue, revealing that 57 per cent of respondents did not know, did not investigate, or had never encountered a knife involved in a crime that was purchased online²². This lack of information is likely mirrored in terms of knives imports too.
60. To address this gap, the Home Office plans to conduct future research on the type of knives used within crimes. This could be through interviews with those prosecuted for knife carrying or research of knives confiscated in stop and search. This may suggest how knife licensing has impacted the accessibility of knives and how it has changed the origins of knives used in crime.

²⁰ Government to launch new coalition to tackle knife crime - GOV.UK:
<https://www.gov.uk/government/news/government-to-launch-new-coalition-to-tackle-knife-crime>

²¹ Independent end-to-end review of online knife sales - GOV.UK:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=10 (page 10)

²² Independent end-to-end review of online knife sales - GOV.UK:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=38 (page 38)

8 Minimising administrative and compliance costs

61. The applicant will need to pay a fee for a licence, and we are proposing that the licensing system for knives and bladed articles be self-funding and on a full cost recovery basis, being funded through the fees payable by licence holders to the police. The licence will need to be renewed periodically which will incur a further renewal fee. This is in line with HM Treasury guidance on managing public money²³.
62. The Government will ensure that the licencing process is as simplified as possible and would produce guidance to help businesses and individuals understand the process.

²³ Managing Public Money May 2023:
https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf#page=49 (page 49)

Declaration

Department: Public Safety Group – Home Office

Contact details for enquiries:

KnifeLicensingConsultation@HomeOffice.gov.uk

Minister responsible: Minister of State for Policing and Crime Prevention

I have read the Consultation Options Assessment, and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed: Sarah Jones MP

Date: 14 October 2025

Summary: Analysis and evidence

Price base year: 2025/26. Sellers Licensing

PV base year: 2025/26.

Knife Sellers-Options	Option 0 - Business as usual (baseline)	Option 5 - Sellers Licence	Option 6 - Online Sellers Licence	Option 7- Phased Sellers Licence
Net present social value (with brief description, including ranges, of individual costs and benefits)	NPSV is 0 as this option represents the baseline/maintaining the status quo.	<p>The societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>While a detailed, bottom-up breakdown of the setup and operational costs for the licensing regime is not currently available, the fees associated with firearms licensing can serve as a reasonable proxy. This is</p>	<p>Like option 6, the societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>Fees associated with firearms have been used as a proxy because firearms licensing also operates on a self-financing basis, where the operation of the licensing</p>	<p>Like option 6 and 7 the societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>Fees associated with firearms have been used as a proxy because firearms licensing also operates on a self-financing basis, where the operation of the licensing regime is funded entirely through licensing fees.</p>

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		<p>because firearms licensing also operates on a self-financing basis, where the operation of the licensing regime is funded entirely through licensing fees.</p> <p>Given the similar planned approach for knife licensing and the likely similarity in maintenance costs, this fee can serve as a reasonable proxy cost.</p> <p>Using the firearms licence (£466)²⁴ fee as a proxy cost, the NPSV of this measure would range between -£20.6 million and -£41.2 million with a central estimate of -£30.9 million. This is based solely on the maintaining of the licence system.</p>	<p>regime is funded through licensing fees.</p> <p>Using the registered firearms dealers licence (£466)²⁵ fee as a proxy cost, the NPSV of this measure would range between would range between -£1.1 million and -£4.6 million with a central estimate of -£2.9 million. This is based solely on the monetised cost of knife licencing for online sellers.</p> <p>The NPSV for this option is larger than option 5, as this option would only cover online knife sellers, whereas option 5 covers all knife sellers.</p>	<p>Using the registered firearms dealers licence (£466)²⁶ fee as a proxy cost, the NPSV of this measure would range between would range between -£10.5 million and -£23.4 million with a central estimate of -£17.0 million.</p> <p>The NPSV for this slightly varies from Option 5 due to a delayed introduction of the licensing measures on stores with a physical retail location. However, longer term running costs are expected to be the same.</p>
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²⁴ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK [Circular 001/2025: Firearms \(Variation of Fees\) Order 2025 - GOV.UK-
https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025](https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025)

²⁵ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK [Circular 001/2025: Firearms \(Variation of Fees\) Order 2025 - GOV.UK-
https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025](https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025)

²⁶ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK [Circular 001/2025: Firearms \(Variation of Fees\) Order 2025 - GOV.UK-
https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025](https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025)

<p>Public sector financial costs</p> <p>(with brief description, including ranges)</p>	<p>N/A</p>	<p>Public sector financial costs are limited to set-up costs as the scheme aims to be 'self-funded'. This means that the ongoing costs associated with obtaining a licence, such as an enforcement time, would be covered by businesses.</p> <p>The set-up costs, including IT system for storing licensing details, onboarding and training of enforcement staff are still expected to be necessary. Additional evidence on set-up costs from other licensing schemes are being collected to enable monetisation for future analysis as these would not be covered by the firearms fee above as a proxy for costs.</p> <p>Further details can be found in Annex - non monetised costs section.</p>	<p>Public sector financial costs are likely similar to those in Option 5 in nature but lower in scale. This is because this option only impacts online sellers of knives, rather than all sellers, making it significantly smaller in scope. For example, fewer enforcement staff may need to be onboarded and trained to deal with the applications.</p>	<p>Public sector financial costs are likely to be similar to Option 6 in the short term but more similar to Option 5 in the long term. This is because in the short term this option will look to only implement a licence for online sellers, however in the long term it will look to implement licences for all sellers of knives.</p>
<p>Significant un-quantified</p>	<p>N/A</p>	<p>Unquantified Costs: Unquantified costs include set-up costs noted above,</p>	<p>Unquantified costs are likely to be slightly less than Option 5, this is because Option 6</p>	<p>Unquantified costs and benefits are likely to be similar to Option 6 in the short term but more similar to Option 5 in the long</p>

<p>benefits and costs (description, with scale where possible)</p>		<p>firm familiarisation costs and possible costs of monitoring. These are outlined below.</p> <p>Implementation costs: Establishing a licensing system may involve initial investments in necessary infrastructure, and personnel training to carry out these checks. The additional marginal cost per licence is expected to be covered by the licensing fee but set-up costs are likely necessary.</p> <p>Regular Monitoring costs: Depending on the regulatory framework, checks on compliance with the code of conduct and requirements may be necessary. This could take the form of periodic monitoring or checks and may represent an additional burden outside the licensing fee.</p> <p>Familiarisation costs: Businesses will need to invest time and resources to</p>	<p>only impacts online sellers of knives as opposed to all sellers of knives.</p> <p>The scale of benefits will depend on the amount knives used in crimes are accessed through stores with a physical retail location or online. Stores with a physical retail location tend to offer better safeguards, are signed up to responsible retailer guidelines and can be more easily reviewed through test purchases. The benefits of Option 6 may be higher relative to the costs, when compared to Option 5.</p>	<p>term. This is because in the short-term Option 7 will look to only implement a licence for online sellers, however in the long term it will look to implement licences for all sellers of knives.</p>
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		<p>familiarise themselves with the new licensing process. This includes understanding the requirements and completing a necessary application/ paperwork.</p> <p>Criminal Justice system costs:</p> <p>CJS costs can arise from licence breaches. Enforcing penalties for selling without a licence is simpler compared to other knife market regulations. While the scale of this cost is unclear, the associated costs are likely minimal as the implications of selling without a licence are likely to be similar to the implications of selling without an alcohol licence.. This cost will be estimated within the final impact assessment.</p> <p>Un-quantified benefits:</p> <p>The Home Office anticipate that the measure will</p>		
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		<p>contribute to improved public safety by reducing knife crime. Due to an absence of sufficient evidence on how this may affect seller standards, and the origins of knives used in crime, it is difficult to quantify the exact extent of this reduction at this stage. Future assessments will likely employ a breakeven analysis, using the 'economic and social costs of crime' report²⁷ to determine the number of knife crimes that would need to be prevented to justify the policy's costs.</p>		
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²⁷ The economic and social costs of crime: <https://assets.publishing.service.gov.uk/media/60094b86d3bf7f2ab1a1af96/the-economic-and-social-costs-of-crime-horr99.pdf>

<p>Key risks (and risk costs, and optimism bias, where relevant)</p>	<p>Maintaining the status quo is unlikely to reduce knife crime within the UK and allow issues associated with both online and offline knife retailers to continue.</p>	<p>Option 5 would require each individual store which sells knives to obtain a licence. The number of affected stores is very uncertain. Details on how this was estimated can be found in the Annex.</p> <p>Additional burdens for knife retailers may lead to higher prices.</p> <p>The Independent end-to-end of review of online knife sales highlighted a disparity between the laws on knife sellers in the UK and abroad. This “presents difficulties in enforcing the current law against international retailers”²⁸.</p> <p>Further barriers or costs for domestic sellers, either online or offline, may inadvertently shift buyers to purchase knives from abroad which</p>	<p>This option would require each online store which sells knives to obtain a licence. Costs are estimated through calculating the likely number of unique businesses selling knives. This is very uncertain and not all unique businesses which sell knives may have an online presence. Details on how this was estimated can be found in the Annex.</p> <p>The Independent end-to-end of review of online knife sales helpfully defines two types of online knife sellers. Retailers host online shops where knives can be viewed and purchased using their own systems. Peer-to-peer sales, often referred to as the grey market, involve reselling knives via social media and</p>	<p>The risks in Option 7 are likely to be similar to Option 6 in the short term but more similar to Option 5 in the long term.</p>
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²⁸ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=11 (page 11)

		<p>tend to be less compliant with UK regulations, such as age verification²⁹.</p> <p>This highlights a need to implement reform on importers alongside domestic changes.</p>	<p>sales platforms, and can be legal or illegal³⁰.</p> <p>The review stated that retailers tend to have robust systems in place for age verification, often incorporating third party software³¹. 'Grey market' sellers tend to not follow current knife selling requirements through anonymising purchases, using unmarked shipping and locker boxes³².</p> <p>The undermining of current requirements /regulations may suggest 'grey market' sellers will not follow the licensing scheme without greater enforcement/</p>	
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²⁹ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=21 (page 21)

³⁰ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=9 (page 9)

³¹ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=60 (page 60)

³² Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=9 (pages 9 and 10)

			<p>incentive. This is likely to undermine the benefits of such a scheme.</p> <p>The Independent end-to-end of review of online knife sales also outlined that many peer-to-peer sellers on online marketplaces purposely design their advertisements to avoid detection or move to encrypted messaging to confirm selling and delivery details. Requiring licensing for these types of sellers would likely be difficult to enforce.</p> <p>There is also a low risk that increased domestic regulation for online businesses, who can more easily relocate, may decide to move their location abroad.³³ For example, surveys carried out as part of the Independent end-to-end of review of online knife sales</p>	
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³³ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=13 (page 13)

			highlighted that a few businesses stated that they were considering relocation outside the UK but still supplying knives to the UK. ³⁴	
Results of sensitivity analysis	There is no sensitivity analysis as Option 5 represents the baseline/maintaining the status quo	The registration of a firearms dealer fee has been used as a proxy for costs. This assumes that £466 would be needed per licence for the enforcement agencies to recover costs for maintaining the licensing system. However, the cost of a knife selling licence will not include a home-visit/assessment. As such within this sensitivity analysis, different scenarios have been created based upon differing prices of the importing licence. These prices include a low estimate	Assuming that the cost of an knife importing licence is £250, the low, central and high cost for Option 6 are £0.6 million, £1.5 million and £2.5 million respectively. Assuming that the cost an knife importing licence is £350 the low, central and high cost for Option 6 are £0.8 million, £2.1 million and £3.5 million respectively.	Assuming that the cost of a knife selling licence is £250 the low, central and high cost for Option 7 are £5.6 million, £9.1 million and £12.6 million respectively. Assuming that the cost of a knife selling licence is £350 the low, central and high cost for Option 7 are £7.9 million, £12.8 million and £17.6 million respectively.

³⁴ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=41 (page 41)

		<p>of £250, a central estimate of £350 and a high estimate of £466 (already outlined above).</p> <p>Assuming that the cost of a knife importing licence is £250 the low, central and high cost for Option 5 are £11.1 million, £16.6 million and £22.1 million respectively</p> <p>Assuming that the cost of a knife importing licence is £350 the low, central and high cost for Option 5 are £15.5 million, £23.2 million and £31 million respectively</p>		
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Importing Options	Option 0 - Business as usual (baseline)	Option 8 - Authorised Importer Scheme.	Option 9 - Import Licensing for dealers.	Option 10 - Licensing for all Importers - Dealers and Private Individuals.	Option 11 - Combined import/sellers' licence.
Net present social value (with brief description, including ranges, of individual costs and benefits)	NPSV is 0 as this option represents the baseline/maintaining the status quo.	<p>The societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>While a detailed, bottom-up breakdown of the setup and operational costs for the licensing regime is not currently available, the fees associated with firearms licensing</p>	<p>Like option 8, the societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>Fees associated with firearms have been used as a proxy because firearms licensing also operates on a self-financing basis, where the operation of the</p>	<p>Like option 8 and 9, the societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>Fees associated with firearms have been used as a proxy because firearms licensing also operates on a self-financing basis, where the operation of the</p>	<p>Like option 8,9 and 10, the societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.</p> <p>Fees associated with firearms have been used as a proxy because firearms licensing also operates on a self-financing basis, where the operation of the licensing regime is funded entirely through licensing fees.</p>

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		<p>can serve as a reasonable proxy. This is because firearms licensing also operates on a self-financing basis, where the operation of the licensing regime is funded entirely through licensing fees.</p> <p>Given the similar planned approach for knife licensing and the likely similarity in maintenance costs, this fee can serve as a reasonable proxy cost.</p> <p>Using the firearms licence (£466)³⁵ fee as a proxy cost, the NPSV of this measure</p>	<p>licensing regime is funded entirely through licensing fees.</p> <p>Using the firearms licence (£466)³⁶ fee as a proxy cost, the NPSV of this measure would range between -£1.1 million and -£4.6 million with a central estimate of -£2.9 million for the knife importing licences for dealers.</p> <p>The NPSV for this option is less than option 8 as this option introduces an licensing scheme for all dealers, whereas option 8 only</p>	<p>licensing regime is funded entirely through licensing fees.</p> <p>Using the firearms licence (£466)³⁷ fee as a proxy cost, the NPSV of this measure would range between -£1.5 million and -£5.8 million with a central estimate of -£3.7 million for the knife licences for all importers.</p> <p>The NPSV for this option is less than option 8 and 9 as this option introduces a licensing scheme for all importers (dealers</p>	<p>Using the firearms licence (£466)³⁸ fee as a proxy cost, the NPSV of this measure would range between -£20.6 million and -£41.2 million with a central estimate of £30.9 million for the combined knife importing and selling licences.</p> <p>The NPSV for this option is less than option 8, 9 and 10 as this option introduces a licensing scheme for both importers and sellers of knives.</p>
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³⁵ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK <https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025>

³⁶ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK <https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025>

³⁷ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK <https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025>

³⁸ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK <https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025>

		would range between - £0.01 million and - £0.04 million with a central estimate of - £0.02 million for the authorised importer scheme.	introduces a licensing scheme for a limited number of importers (via the authorised importer scheme).	and private individuals).	
Public sector financial costs (with brief description, including ranges)	N/A	Public sector costs are expected to be limited to initial setup expenses, as the scheme is designed to be self-sustaining. This implies that ongoing costs, such as enforcement time, would be covered by the licence holders. Nevertheless, initial setup costs, including the creation of an IT system for storing licensing details and training/onboarding enforcement staff, are still anticipated to be necessary.	Public sector financial costs are likely to be similar to Option 8 but on a larger scale. This is because Option 8 only impacts a small number of authorised firms whereas Option 9 looks to extend the licence scheme to all dealers.	Public sector financial costs are likely to be more than Option 8 and Option 9, this is because Option 10 looks to extend the licence scheme to all dealers and individuals.	Option 11 is a combination of a sellers and importing licence and as such the public sector financial costs is likely to be less than it is portrayed in other options. This is because firms will require one licence as opposed to two.

		Further details can be found in the evidence base- non monetised costs section.			
Significant un-quantified benefits and costs (description , with scale where possible)	N/A	<p>Unquantified Costs:</p> <p>Unquantified costs would largely be similar to those outlined above for seller licensing. Including set-up costs not covered by the licence fee, firm familiarisation costs, CJS costs and potential monitoring costs.</p> <p>However, one specific non-monetised cost for this measure would be possible market dominance of specific firms in the importing of knives. Option 8 would likely reduce or constrain the number of firms which could import knives into the</p>	Costs are likely greater than Option 8, as Option 9 extends an import licence scheme to all dealers.	Costs are likely to be greater than Option 8 and Option 9 as Option 10 looks to impose licensing for all importers.	Costs are likely to be to be greater than Option 8,9 and 10 as Option 11 extends the scheme to combine an importers and a sellers' licence.

		<p>UK. Potentially adding a new layer in the supply chain, raising entry barriers for small or new businesses looking to import knives and potentially leading to higher prices.</p> <p>Un-quantified benefits: Through introducing restrictions or registration scheme on, importing knives, there can be easier enforcement on imports of knives, better monitoring on adherence and greater intelligence available on relevant market actors. All these may help prevent ensure illicit sales do not shift abroad, in light of the above policies and may reduce irresponsible selling</p>			
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		and distribution of knives ³⁹ .			
Key risks (and risk costs, and optimism bias, where relevant)	There is a risk that maintaining the status quo is unlikely to reduce knife crime within the UK and there is even a chance that knife crime could deteriorate.	<p>Introducing a small number of authorised firms, could lead to market dominance of specific firms as you are allowing certain firms to import knives but refusing other firms.</p> <p>This would likely raise entry barriers for small or new businesses looking to import knives, potentially leading to higher prices. Especially if it creates an additional step within supply chains and as such, makes a limited impact on the balance</p>	<p>Option 9 would require each unique business which imports knives to obtain a licence. Costs are estimated through calculating the likely number of unique businesses selling knives. This is very uncertain and not all unique businesses which sell knives may import. Details on how this was estimated can be found in the Annex.</p> <p>There is evidence that international sellers often lack knowledge of UK legislation and there is evidence that they intentionally</p>	<p>Option 10 would likely prevent private sellers exploiting their exemption from the other options.</p> <p>In addition, the number of licences calculated is based on estimates in Option 9, plus the number of people importing knives as private sellers. These latter figures are arbitrary as a result of insufficient data.</p>	The risks for Option 11 are very similar to option 2 but are likely to be larger as this option extends the licensing scheme to all importers and sellers.

³⁹ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=67 (Page 67)

		<p>between domestic production and imports of knives.</p> <p>This could deter businesses – especially small or medium sized firms – from importing knives or deter them from selling knives altogether. This may also lead firms to seek alternatives – such as domestic production.</p> <p>The revenue generated from Option 8 is quite small and since this option is designed to be self-funded there is a risk that the funds generated may not be sufficient to fully fund Option 8.</p>	<p>circumvent current laws such as mislabelling to evade detection.⁴⁰ This may make enforcement difficult.</p> <p>If foreign retailers did continue to export into the UK without a licence, additional burdens for responsible importers may make these firms slightly cheaper. However, this is mitigated through the relatively low and infrequent price of licences.</p> <p>Higher prices may entice buyers to try and purchase knives illegally through the grey market which</p>		
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⁴⁰ Independent end-to-end review of online knife sales - GOV.UK: https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=48 (Page 48)

			may not be affected by licence fees.		
Results of sensitivity analysis	There is no sensitivity analysis as Option 0 represents the baseline/maintaining the status quo.	<p>The police firearms dealers licensing costs have been used as a proxy. This assumes that £466 would be needed per licence for the enforcement agencies to recover costs. However, the cost of a knife importing licence will not include a home-visit/assessment.</p> <p>As such within this sensitivity analysis, different scenarios have been created based upon differing prices of the importing licence. These prices include a low estimate of £250, a central estimate of £350 and a high estimate of</p>	<p>If it is assumed that the cost of a knife importing licence is £250 the low, central and high cost for Option 9 are £0.6 million, £1.5 million and £2.5 million respectively.</p> <p>Assuming that the cost of a knife importing licence is £350 the low, central and high cost for Option 9 are £0.8 million, £2.1 million and £3.5 million respectively.</p>	<p>If it is assumed that the cost of a knife importing licence is £250 the low, central and high cost for Option 10 are £0.8 million, £2.0 million and £3.1 million respectively.</p> <p>Assuming that the cost of a knife importing licence is £350 the low, central and high cost for Option 10 are £1.1 million, £2.7 million and £4.4 million respectively.</p>	<p>If it is assumed that the cost of a knife importing licence is £250 the low, central and high cost for Option 11 are £11.1 million, £16.6 million and £22.1 million respectively.</p> <p>Assuming that the cost of a knife importing licence is £350 the low, central and high cost for Option 11 are £15.5 million, £23.2 million and £31.0 million respectively.</p>

		<p>£466 (already outlined above).</p> <p>Assuming that the cost of a knife importing licence is £250 the low, central and high cost for Option 8 are £0.00 million, £0.01 million and £0.02 million respectively</p> <p>If it is assumed that the cost of a knife importing licence is £350 the low, central and high cost for Option 8 are £0.01 million, £0.02 million and £0.03 million respectively</p>			
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Annex - Evidence Base

1. Monetised impacts

Costs

1. The societal cost of this policy is primarily the resources associated with establishing and operating the licensing regime. The licensing costs for business represent a financial transfer between businesses and the Government and are not included in the appraisal.
2. While a detailed, bottom-up breakdown of the setup and operational costs for the licensing regime is not currently available, the fees associated with firearms licensing can serve as a reasonable proxy. This is because firearms licensing also operates on a self-financing basis, where the operation of the licensing regime is funded through licensing fees. Given the similar planned approach for licensing of sellers of knives and the likely similarity in maintenance costs, this fee can serve as a reasonable proxy cost. As such, the firearms dealers licensing costs (£466)⁴¹ has been used as a proxy for the maintaining the licensing system. These are explored below.
3. The cost of maintaining and establishing the licensing system (such as security checks) is also dependent on the number of firms. Determining the exact number of knife sellers affected by each measure is challenging due to an absence of data and the lack of a registration system in the UK. The assumptions applied in this consultation options assessment are uncertain and purposely precautionary due to this.

Option 5 - Introduce a licence scheme for all sellers of knives/bladed articles

4. This option would require each individual store which sells knives to obtain a licence. A low estimate has been calculated by summing the total number of all retail stores which could sell knives in person. This number was calculated by summing up all supermarkets, department stores, kitchenware stores, hardware/DIY stores and outdoor/camping stores⁴². This total was then halved, as this is likely an overestimate and then multiplied by the licence fee (£466). This assumes that approximately 26,000 stores would need to attain a licence. There is an assumption that licences are renewed every five years and by following this the discounted cost for the low estimate over a 10-year appraisal period is £20.6 million.

⁴¹ Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK Circular 001/2025: Firearms (Variation of Fees) Order 2025 - GOV.UK - <https://www.gov.uk/Government/publications/circular-0012025-firearms-variation-of-fees-order-2025/circular-0012025-firearms-variation-of-fees-order-2025>

⁴² Supermarkets in the UK in the UK | IBISWorld: <https://www.ibisworld.com/united-kingdom/number-of-businesses/supermarkets/2915/>
 Department Stores in the UK in the UK | IBISWorld: <https://www.ibisworld.com/united-kingdom/number-of-businesses/department-stores/2920/>
 Kitchen Furniture Manufacturing in the UK - Market Research Report (2015 to 2030): <https://www.ibisworld.com/united-kingdom/industry/kitchen-furniture-manufacturing/2065/#KeyStatistics>
 Hardware & Home Improvement Stores in the UK - Market Research Report (2015 to 2030): <https://www.ibisworld.com/united-kingdom/industry/hardware-home-improvement-stores/3022/#TopQuestionsAnswered>
 Sporting and Outdoor Equipment Retailers in the UK in the UK | IBISWorld: <https://www.ibisworld.com/united-kingdom/number-of-businesses/sporting-outdoor-equipment-retailers/3045/>

5. The central estimate has been calculated by summing the total number of all retail stores which could sell knives in person. This was then multiplied by three-quarters and then multiplied by the licence fee (£466). This assumes approximately 39,000 stores would need to attain a licence. There is an assumption that licences are renewed every five years and by following this the discounted cost for the central estimate over a 10-year appraisal period is £30.9 million.
6. The high estimate involved summing the total number of all retail stores which could sell knives in person. This assumes that roughly 51,000 stores would need to attain a licence and was multiplied by the licence fee (£466). There is an assumption that licences are renewed every five years and by following this the discounted cost for the high estimate over a 10-year appraisal period is £41.2 million.

Option 6 - Introduce a licence scheme for only online sellers of knives/bladed articles.

7. Compared to Option 5, Option 6 affects only online firms. This means, unlike Option 5, each retailer would not require multiple licences for each store. The number of distinct stores selling knives, and how many have an online presence is highly uncertain. The following calculations serve as an estimate for the number of unique businesses selling knives which may have an online presence. This estimate will be updated once more information is gathered during the consultation.
8. This option uses a different approach to estimate the number of firms that sell knives. By examining UK manufacturers' sales by product⁴³ and calculating the value of product codes which include the word "knives" (excluding those that explicitly state "excluding knives"), knives account for 0.02 per cent of total manufacturing value. Multiplying this by the number of businesses in UK⁴⁴ results in an estimate of 1,384 firms. This was used as a low estimate for the businesses requiring a licence. As a sense check, the same approach was applied to product codes including firearms, which resulted in approximately 2,000 businesses. This figure closely aligns with the number of registered firearms sellers⁴⁵.
9. The high estimate was generated by doubling the number of firearms dealers (2,876). This approach was used to account for inherent risk in the above methodology, and on the basis that firearms may act as reasonable proxy for online stores selling knives. The central scenario uses a midpoint between the high and low. Each of these was multiplied by the £466 cost outlined above and assumes that licences are renewed every 5 years.
10. This produces a discounted cost between £1.1 and £4.6 million, with a central cost of £2.9 over a 10-year appraisal period.

⁴³ UK manufacturers' sales by product ONS

<https://www.ons.gov.uk/businessindustryandtrade/manufacturingandproductionindustry/datasets/ukmanufacturerssalesbyproductprodcom>

⁴⁴ Business Population estimates 2023 UK <https://www.gov.uk/Government/statistics/business-population-estimates-2023/business-population-estimates-for-the-uk-and-regions-2023-statistical-release>

⁴⁵ Statistics on firearm and shotgun certificates GOV UK: <https://www.gov.uk/Government/statistics/firearm-and-shotgun-certificates-april-2023-to-march-2024/statistics-on-firearm-and-shotgun-certificates-england-and-wales-april-2023-to-march-2024#:~:text=2.-,Summary%20of%20statistics,compared%20with%2031%20March%202023>

Option 7 - Take a phased approach, introducing licences for only online sellers and later expand to cover all sellers.

11. Option 7 involves a phased approach. It has been calculated using a twostep approach.
12. For the first five years of the appraisal period, this option follows the same methodology as option 6 (which only looks to implement a licence for online sellers of knives) and as such it has the same low, central and high costs (for the first 5 years) of £0.6 million, £1.6 million and £2.5 million.
13. For the final five years of the appraisal period, the appraisal assumes that the licence is rolled out to all sellers of knives and as such the discounted cost over a 10-year appraisal period for the low, central and high costs increase to £10.5 million, £17.0 million and £23.4 million.

Option 8 - Authorised Importer Scheme

14. This option assumes that all bladed products are required to be imported via a UK based authorised importer. This option would have the advantage of having a relatively small number of authorised importers. As such the low, central and high estimates for importers are assumed to be 10, 25 and 50 respectively. These were then multiplied by the licence fee (£466). Using the assumption that licences are renewed every five years the discounted low, central and high costs over a 10-year appraisal period are £0.01 million, £0.02 million and £0.04 million respectively.

Option 9 – Import Licensing for Only Retailers and Not Private Individuals

15. Compared to Option 8, Option 9 requires all businesses who import knives to apply for an import licence. This scheme would allow for overseas sellers to apply for an import licence as well as UK-based sellers. This means each retailer would not require multiple licences. For example, a supermarket would need just one licence to import knives, rather than a licence for each of its stores. The number of distinct domestic or foreign stores importing/exporting knives into the UK is highly uncertain. The costs for this option are based on the same numbers as Option 6. These figures serve as an estimate for the number of unique businesses selling knives which may use importing. More information will be gathered during the consultation to improve this calculation.
16. This produced a discounted cost between £1.1 and £4.6 million, with a central cost of £2.9 over a 10-year appraisal period.

Option 10 - Licensing for all Importers - Dealers and Private Individuals

17. Option 10 includes online firms as well as private sellers. As such the estimate for the number of licences for this option involves adding the number of licences used in option 6 and 9 to an estimate of people importing knives as private sellers. Due to insufficient data, the low, central and high estimate for the people importing knives as private sellers is assumed to be 500, 1,000 and 1,500.
18. Once these were added to the low central and high estimate for licences in option 9, it was multiplied by the licensing fee. As, the analysis assumes licences are renewed every five years and by following this the discounted cost over a 10-year appraisal period for the low, central and high estimates are £1.5 million, £3.7 million and £5.8 million respectively.

Option 11 - Combined Import/Sellers Licence

19. Option 11 suggests that businesses importing directly and selling to the public should have a combined import and seller's licence. Currently, costs are calculated based on each individual store requiring a licence. Due to this, the figures from Option 6 are used, with a licence fee of £466, renewable every five years and creating the same cost estimates. This will be updated post-consultation once the specifics of the policy are clarified.

Monetised Benefits

20. It is currently not possible to monetise the potential benefits of the sellers or the importers licence due to a lack of evidence. As such future assessments will likely employ a breakeven analysis, using the 'economic and social costs of crime'⁴⁶ report to determine the number of homicides, robberies, and violent injuries that would need to be prevented to justify the policy's costs.

2. Non-monetised impacts

The non-monetised costs for seller and import licences are likely similar and have been grouped together below. Additional information and evidence from other licensing schemes are being collected to enable monetisation for future analysis.

Non-monetised costs

21. Implementation costs: Establishing a licensing system would involve initial investments in necessary infrastructure, and personnel training to carry out these checks. Although the firearms fee can serve as fee can serve as a reasonable proxy cost for maintaining the licensing system, it would not cover the initial set-up costs.
22. Regular Monitoring costs: Depending on the regulatory framework, checks on compliance with the code of conduct and licensing requirements may be necessary. This could take the form of periodic monitoring or checks and may represent an additional burden outside the licensing fee.
23. Familiarisation costs: Businesses will need to invest time and resources to familiarise themselves with the new licensing process. This includes understanding the requirements and completing necessary paperwork.
24. Important to note that set-up costs may be minimised through using aspects of other licensing schemes. For example, setup costs for an IT system could be minimised by integrating the licensing scheme for bladed articles into the existing National Firearms Licensing Management System or through effectively copying the current system in place.

⁴⁶ The economic and social costs of crime second edition - GOV.UK-
<https://www.gov.uk/Government/publications/the-economic-and-social-costs-of-crime>

Seller Licence - non-monetised benefits

25. A knife sellers' licence may reduce the number of knife-related crimes. There is some evidence for this from the US, where research has linked firearm dealer background checks with a possible decrease in firearm homicides⁴⁷.
26. In addition, this measure could result in reductions in irresponsible sellers through increased monitoring, prevention of licences and better traceability⁴⁸. This could enhance public safety by reducing access to knives for those aged under 18 years or reducing the selling of knives for crime. Additionally, it may increase public awareness of licenced and responsible sellers, thereby undermining illegal sales.
27. The above may lead to a reduction in fear of crime and possible increase in public confidence. This benefit will not be monetised for the final Impact Assessment due to an absence of evidence on the specific drivers of fear of knife crime, and the extent to which the proposals will affect this.

Importers Licence - non-monetised benefits

28. By introducing security checks for importers who are importing knives, this policy may improve border security and ensure international compliance with regulations. This may lead to a reduction in fear of crime and possible increase in public confidence. Due to an absence of sufficient evidence, including how many knives are imported and how these link to crime, it is difficult to quantify the exact extent of these benefits.
29. A knife importers licence would improve transparency on who exports into the UK and improve the intelligence available to the police to ensure seller compliance with UK regulations.

3. Expected overall impacts

Sellers Licence

30. The overall impact is expected to lead to more responsible sales of knives and bladed articles, with less sales to those aged under 18 years or those intent on using the knife or bladed article for violence. Ultimately, this should contribute to the Government's manifesto commitment to halve knife crime in the next decade⁴⁹. In addition, this may lead to a reduction in fear of crime and possible increase in public confidence.
31. This will impact businesses selling knives as they will need to obtain a licence which will incur costs and require police checks. Firms could pass these costs onto consumers (which could reduce demand) or absorb these costs and squeeze existing profit margins.

⁴⁷ Effects of Background Checks on Violent Crime | RAND: <https://www.rand.org/research/gun-policy/analysis/background-checks/violent-crime.html?>

⁴⁸ Independent end-to-end review of online knife sales - GOV.UK: <https://www.gov.uk/Government/publications/independent-end-to-end-review-of-online-knife-sales>

⁴⁹ Labour Manifesto 2024 - <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf#page=66> (page 66)

32. Option 6 is likely to have a lower overall impact on businesses when compared to option 5 as this option only covers online sales of knives as opposed to in person sales of knives. Option 7 is likely to have the same impact as option 6 in the short term and option 5 in the long term as this option will only look to implement licences for online sellers before it is extended to all sellers of knives in the future.

Importers Licence

33. The overall impact is expected to lead to more responsible importers of knives and bladed articles, which may also lead to less sales to those aged under 18 years or those intent on using the knife or bladed article for violence. Similarly, this should contribute to the Government's manifesto commitment to halve knife crime in the next decade⁵⁰. confidence.
34. Option 8 will impose licence costs on a smaller group of authorised importers. However, this may lead to market dominance by a few firms, increasing prices for other businesses and consumers, adding steps within supply chains, and potentially limiting product options.

4. Distributional Impacts

Retailer Licence

35. As this measure covers the whole of the United Kingdom, there are unlikely to be geographical distributional impacts. Potential benefits associated with the legislation are likely to be more concentrated in areas where knife crime is more geographically concentrated, such as the West Midlands and London.
36. Potential increases in prices are likely to have a disproportionate impact on lower income individuals.
37. Options 5 and 6 impact different types of businesses. Option 5 applies to all businesses, while Option 6 may disadvantage online sellers and retailers compared to businesses with physical locations. How characteristics such as employment or customer demographics vary for online and offline retail – especially in knives - is unknown. E-commerce stats suggest younger people and men prefer to shop online.⁵¹

Importer Licence

38. As this measure adds an additional cost for firms importing knives, it may alter the distribution of knife purchases towards domestic production. The extent of this is unknown and likely marginal considering the limited cost of a licence.

⁵⁰ Labour Manifesto 2024 - <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf#page=66> (page 66)

⁵¹ eCommerce statistics for the UK in 2024/2025 <https://spaceandtime.co.uk/blog/55-ecommerce-statistics-for-the-uk/>

5. Impacts on wider Government priorities

Business Environment

Seller Licence

39. Seller licence options being considered are likely to raise barriers to entry for knife retailers due to the effective set-up/operational cost. This may potentially deter businesses from selling knives.
40. This may also impact prices through two routes: firstly, knife sellers may pass the costs of the new licensing fees onto consumers; secondly, firms exiting the market may lead to higher market concentration and increased prices. However, this risk is limited due to the low cost of licences and timeframe of repayment. Any fees are likely to disproportionately affect small and medium-sized firms, as these are likely to have fewer resources to cover up-front fees.
41. The Independent end-to-end of review of online knife sales helpfully defined two types of online knife sellers: retailers who host online shops where knives can be viewed and purchased using their own systems, and peer-to-peer sales, often referred to as the 'grey market', which involve reselling knives via social media and sales platforms, and can be legal or illegal⁵². Although the review focused on criminality often associated with the latter, it also highlights that the selling of knives is highly democratised. Additional barriers to entry for the online sale of knives may reduce this.
42. The use of licensing may also lead to a higher standard of retailer or online sellers to ensure their compliance with the licensing agreements. This may be particularly important for current regulation compliance, including delivery and seller standards for age verification which remain a "key vulnerability"⁵³. Higher standards and regulations may also benefit consumer trust in the business area.

Importer Licence

43. Implementing an importer licence would increase barriers for importing knives, potentially deterring businesses from doing so. This measure may encourage businesses to explore alternatives, such as sourcing knives and bladed articles from domestic manufacturers. Additionally, the costs associated with the licence might be transferred to consumers through higher prices.
44. Option 8, which involves a limited number of authorised importers, could negatively impact the market by only allowing a few firms to operate, creating uneven market power. This is likely to have more inflationary and detrimental impact for consumers.

⁵² Independent end-to-end review of online knife sales - GOV.UK:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=9 (page 9)

⁵³ Independent end-to-end review of online knife sales:
https://assets.publishing.service.gov.uk/media/67b5b2e54a80c6718b55bf76/E2E_Review_-_Online_Knife_Sales_Final_Report_.pdf#page=15 (page 15)

Option 9, which affects only dealers, might also disadvantage businesses compared to private sellers, potentially distorting the market.

International Considerations

Seller licence

45. The Home Office is exploring the requirement for licences for those selling knives and bladed articles. Due to the domestic nature of these specific measures, it is unlikely to have any international impact. However, a domestic seller licence for knives and bladed articles, which is not introduced alongside an import, may make international knife sellers relatively more attractive if domestic prices change. This is relatively unlikely given that the cost is expected to be small (around £466) and required once over a long timeframe, such as every four or five years.

Importer licence

46. The Home Office is considering requiring licences for those importing knives and bladed articles. This measure would increase the costs for businesses importing knives, potentially leading to a reduction in the number of imported knives and bladed articles. This effectively adds a barrier to importing these items and is likely to have a marginally negative impact on international trade. This may also benefit domestic production of knives and bladed articles within the UK as costs associated with a licence would not be applicable.

Natural capital and Decarbonisation

47. The impact of these measures on the UK's natural capital and the decarbonisation of the economy is currently unknown. All proposed measures intend to create new licensing demands for a proportion or all knife sellers and importers. At a high level, it is reasonable to assume that the impact will be marginally negative but likely negligible.
48. A more detailed consideration may highlight the following:
- Likely negative: similar to firearms licensing, licences are expected to be issued as hard copies, which would lead to emissions from printing.
 - Likely negative: The introduction of new digital systems for administrative processes due to this measure may also have environmental impacts.
 - Potential positive: Restrictions and licence fees could lead to fewer knives being imported or sold in the UK, potentially reducing delivery emissions.

Annex - Statutory Equalities Duty

Mandatory specific impact test - Statutory Equalities Duties	Complete
<p>Statutory Equalities Duties</p> <p>There is currently no known significant impact on those with protected characteristics in terms of introducing a licensing scheme, beyond age discrimination. However, the law regarding sales of knives to those aged under 18 years is not new, and the proposed licensing scheme would just tighten this existing measure.</p> <p>The Home Office will invite further views on the impact to those with protected characteristics during the public consultation to ensure there is not anything missing.</p> <p>The SRO has agreed these summary findings.</p>	Yes