Unloved items now heading back to retailers

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£1.55bn-worth of unwanted items are winging their way back to retailers, says Parcelhero, *as thousands of Brits ditch unwanted gifts.*

Thousands of unwanted items are now heading back to retailers, says the home delivery

expert Parcelhero. Many people used their first day back at work, 2 January, to return their unwanted gifts and the trend is set to continue today. (Returns may include automotive tools and parts, of course).

Parcelhero's Head of Consumer Research, David Jinks M.I.L.T., says: 'Compared to 2025, there was a slightly smaller spike in parcel volumes on 2 January this year but we're expecting a big increase in shipments in the first full working week of 2026 as everyone gets back to their normal routines.

'Last year, we estimated around £1.51bn of clothing, electrical goods and toys were sent back to retailers during the peak returns period. With sales values up by around 3% this season, it's likely that around £1.55bn of items bought during November and December are now heading back to sellers.

For anyone planning to return an unwanted item, time is ticking. Strictly speaking, online shoppers have just 14 days after they receive their order to tell the seller that they intend to return an item to get a full refund on no-fault returns. They then have a further 14 days to actually return the item. That means if the item was delivered on Christmas Eve and people are reading this on 5 January, there are only two days left to contact the seller.

Fortunately, many retailers take a far less rigid approach to Christmas returns. For example, Amazon, Argos, M&S and John Lewis are among the many stores with very generous returns policies for items bought in November and December.

However, we might want to spare a thought for Britain's specialist and small local SME sellers.The financial burden of that £1.55bn-worth of returns will fall disproportionately on many of our favourite small traders.

Niche online companies such as specialist electronic sellers, craft shops and vintage clothing stores, thinking they were riding high on a healthy-looking profit from Black Friday and Christmas sales, suddenly find that, as the returns roll back, they are facing plunging margins and shelves bulging with now unsaleable stock.

Compared to the “Big Boys”, smaller companies lose a significant and disproportionate amount of a product’s profit when a return occurs. The total cost for a return for the average marketplace trader can reach up to 66% of the item’s original price.

The loss is not just the refund but also includes the costs of processing, labour, inspection and shipping. These costs can add up quickly, particularly for small businesses that don’t have plenty of staff to process returns. Additionally, of course, products such as seasonal fashion items can lose value if they are not resold promptly.

A few years ago, Parcelhero spoke in detail to a number of specialist sellers about the returns issue and the resulting report was fascinating, though rather distressing if you care about the plight of niche expert traders.

As the report revealed, the final nail in the coffin for small online retailers may be that 8% of shoppers admit to returning items several times a month, irrespective of whether that’s to large businesses such as ASOS or niche craft stores.

The study reveals a large chunk of these returns happen in the post-Christmas period. Around 47% of all Parcelhero shipments were marked as “returns” in the first week of last year.

Last January, some traders told us that they were coping with return rates as high as 60% following Black Friday and the pre-Christmas peak. Many small sellers feel that they have to accept such returns unconditionally in order to maintain their all-important five-star ratings. Small online marketplace traders told us returns cost them at least 13% more than High Street-only stores because of the 14-day “cooling off” period for products bought online under 2014’s Consumer Contracts Regulations.

‘For more information on the full impact of returns on retailers large and small, don’t miss Parcelhero’s report:“ Retailers Reach the Point of No Returns” at https://www.parcelhero.com/content/downloads/pdfs/returns/returnwhitepaper.pdf