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CDS AND DVDS TO COST MORE AS BUDGET WARNS OF A 'STEALTH TAX ON FUN'

Brits face a 'stealth tax on fun' after a warning in today's Budget that a little-known VAT loophole that allows Brits to enjoy lower prices on CDS and DVDs looks set to be closed, says [InvisibleHand](#), the free to download online shopping tool.

While the drop in the Low Value Consignment Relief (LVCR) threshold from £18 to £15 may seem fairly innocuous, the Budget also contains a thinly veiled warning that the Government now has every intention of closing this loophole, exploring options to limit the scope of the relief so that it can no longer be exploited^[1]. If it is successful millions of consumers will be hit, with people in the UK buying more music per head than almost any other country and sales of almost 113 million CD albums a year^[2].

The move could see prices increase by 20%, meaning film buffs could end up paying £17.98 for the latest releases, such as Harry Potter and the Deathly Hallows on blu-ray, instead of £14.99^[3]. Music lovers could also be forced to fork out more, paying £9.60 for an album instead of the current average price of £8^[2].

Robin Landy, founder of [InvisibleHand](#), says: "We're facing a stealth tax on fun. Consumers are being hit left, right and centre and now the price they will pay to enjoy a film or music at home will go up too. It clearly hasn't escaped the Government that staying in is the new going out so it is now going after consumers for more tax on the things they enjoy doing at home.

"This loophole has allowed British consumers to continue their love affair with film and music through the recession without being forced to pay rip off prices. Now prices will potentially rise, which could force sales down and more people into the arms of illegal download sites. Although independent retailers will see it as giving them a level playing field with the likes of Amazon, the fact is that consumers will ultimately lose out while the Government is set to gain.

"Online retailers will continue to be competitive, but with the loophole closing it will be even more important for people to shop around. One way to beat the rise is to download online

shopping tool, InvisibleHand, for free so that it can do the hard work for you, scouring the internet for the cheapest prices currently available.”

InvisibleHand has already identified £53 million in savings for UK online shoppers. It is free to download from www.getinvisiblehand.com.

ENDS

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Note to editors:

1. Treasury website: <http://www.hm-treasury.gov.uk/>
2. According to the British Phonographic Industry - last publicly available figures from 2009
3. Newly released Harry Potter and the Deathly Hallows Part 1 currently £14.99 on [Amazon](#).

About InvisibleHand

InvisibleHand is a free price-finder tool for online shoppers and travellers who want to be confident they have found the best price before clicking the 'buy' button. Instead of undertaking painstaking online research or relying on the out-of-date prices on shopping & flight comparison sites; consumers can download and install InvisibleHand on their computer for free. Once installed, the next time you go shopping InvisibleHand will work behind the scenes to automatically find the best price on products & flights, no matter where you're searching on the web.

InvisibleHand's price alerts appear in a temporary, drop-down bar when a better deal is found on over 60 million products and airfares. To-date, InvisibleHand has been downloaded by over 1.5 million people and has already found savvy online shoppers over £53 million worth of savings in the UK alone.

InvisibleHand is free and easy to download from www.getinvisiblehand.com.

InvisibleHand is part of the Forward Internet Group, a privately funded collection of internet-based businesses focused on consumer engagement and innovation.