CASE STUDY

Beyond Brexit: How a UK Merchant Recaptured 40% of Lost EU Sales

An ePAL Global client story on rebuilding cross-border commerce after Brexit

Before Brexit, customers in the European Union accounted for approximately 40% of a UK-based merchant's sales. After Brexit, that figure fell to zero — not because demand had disappeared, but because selling to those customers had become considerably more complex.

Overnight, the merchant needed to manage import VAT, customs duties, product classification, shipping availability, and customs declarations, all without creating unwelcome surprises for buyers at checkout. What the business needed was not just software, but a strategy, a plan, and a partner with the business and technical expertise to execute it.

Working alongside ePAL Global, the merchant — a specialist in aftermarket parts — built a strategy to sell and ship direct to EU customers, a plan to use ePAL to calculate fully landed cost at checkout, and a joint process for rapid execution. The result: a merchant that is once again selling into the EU and steadily recapturing the business Brexit had taken away.

Every basket is now checked and routed automatically, whether through the Import One-Stop Shop (IOSS) scheme or standard customs processes, so customers see a landed-cost-compliant price at checkout with no surprises. Behind the scenes, ePAL handles classification, tax, duty, and shipping calculations, then passes the required information through to the carrier for transport and to customs for declaration and payment.

The journey was not without its challenges, and it illustrated why cross-border eCommerce involves far more than calculating VAT. Left unmanaged, that complexity of process, cost, and terminology can overwhelm merchants who understandably would rather focus on their business than become customs experts. ePAL's role was to bring clarity to that complexity - helping the merchant set a realistic, achievable goal rather than an unsustainable one.

> **Lesson 1: Have a clear goal in mind, then work with appropriate experts to determine how to achieve it.**

Recovering a market lost after Brexit

Before Brexit, selling from the UK into Europe was a well-established part of most UK merchants' business. This merchant's goal was to recover a market that had once represented 40% of its sales — without building its own tax, customs, and cross-border fulfilment operation to do it.

When the UK left the EU, the commercial opportunity did not disappear, but the rules surrounding each transaction expanded dramatically. VAT, customs duties, country of origin, country-specific product classifications for customs and tax, shipping availability, and import documentation all became part of the sales process. Without those elements working in concert, a straightforward order could leave a customer facing unexpected charges, or a merchant paying to have a package returned because a buyer, carrier, or customs authority would not accept it.

> **Lesson 2: Measure twice, cut once. Invest the time - typically the equivalent of a single business day - to develop the strategy, plan, and resourcing needed for success… before starting.**

More than a VAT calculator

The merchant needed to show customers an accurate total price at checkout, which meant calculating far more than the VAT rate for the destination country. The solution had to account for product classification, customs duties, tax on shipping, country of origin, and available shipping services for each product and destination. For eligible baskets, it also had to determine IOSS eligibility, correctly apply the new €3 customs handling fee from its effective date, and remain ready to absorb further regulatory changes without requiring the merchant to alter anything on its side.

No commercial vendor offered a solution that brought all of these elements together and orchestrated them automatically through a single integration — until ePAL. ePAL provided the API and orchestration layer needed to bring these decisions together in real time: the merchant sends basket, product, and destination information to ePAL and receives the calculations and supporting data required to complete the transaction instantly, as part of checkout.

This mattered because the merchant does not run on a standard third-party eCommerce platform; its store was built in-house, requiring a direct API integration with ePAL. With guidance from the ePAL team, the merchant's engineers proved out cross-border selling in less than one week from the point of formal engagement. The work required real engineering effort, but it never became the large, costly technology project many merchants fear.

> **Lesson 3: Be wary of patching multiple solutions & services together. In cross-border eCommerce, complexity compounds fast. Complexity in Software integration only compounds that.**

The integration was quicker than the registration

Connecting the systems was only one part of the process. The merchant also needed an Import One-Stop Shop (IOSS) registration to support its intended sales model for eligible orders. The IOSS number was eventually issued after a delay of several months caused by processing issues at the tax authority — meaning the time between deciding to re-enter the EU and beginning live sales was driven far more by registration than by technology.

That is an important takeaway for other merchants considering the same path: register well in advance of need. Technical integration can move quickly, but external registrations and approvals often take considerably longer. Starting the administrative work early is every bit as important as starting the engineering work. Once the registration was in hand, the merchant was able to begin processing live EU orders.

> **Lesson 4: Start the registration process well in advance of need and assume it will take longer than you expect. If it doesn't, take the win.**

What onboarding revealed

Cross-border terminology is easy to underestimate. A merchant can understand its products perfectly well while still being unfamiliar with the precise meaning that customs authorities, tax systems, and carriers attach to specific data fields.

Product classification was one example. ePAL generates HS10 classifications built on an underlying HS6 code, which makes selecting the most accurate HS6 classification important — particularly where a broad classification had previously been applied across several different types of aftermarket parts. A technically valid classification can still be too broad to clearly describe a product to every carrier, so refining the HS6 classification improved not only tax and duty accuracy but also the merchant's available shipping options. ePAL's automated classification tooling, supported by its professional services team, performed the initial classification work, which the merchant then reviewed and approved.

Onboarding also surfaced the need to align the data the merchant held with what ePAL, the carrier, and customs authorities each required. ePAL worked with the merchant to identify additional data needed for success, including country of origin and product dimensions for shipping.

> **Lesson 5: Focus on completing, standardising and understanding your product data as a Customs authority would - and close any gaps before go-live.**

Then came the first real orders

Testing confirmed that the merchant could submit a basket to ePAL, receive accurate calculations, and present the resulting price to the customer. Test shipments then validated carrier acceptance, customs handling, and physical fulfilment across the full chain — confirming the system was ready for go-live.

As with any real-world rollout, a few issues emerged. The first French order exceeded €150 and revealed a gap in shipping providers available from the UK for certain HS6 codes. The product was correctly classified and the transaction correctly calculated, yet the available shipping route still presented a problem.

The merchant had initially used ePAL's default shipping provider — offered as a practical starting point for merchants without existing shipping arrangements for a given destination, without locking them into a particular carrier. After encountering a few delivery issues tied to how that carrier handled certain HS6 classifications, the merchant moved to Royal Mail outside of ePAL. ePAL is now integrating directly with Royal Mail so those shipping rates can be calculated within the basket itself.

> **Lesson 6: Expect some bumps along the way and work with a partner like ePAL who can respond quickly.**

Country of Origin is not the same as country of dispatch

A later order to Ireland surfaced another easily misunderstood distinction: country of origin is not the same as country of dispatch.

An aftermarket part shipped from the UK is not automatically of UK origin — its true origin depends on where it was manufactured or whether it meets the applicable rules for acquiring UK origin. That distinction can materially change the customs duty and tax applied to an order. The issue was not simply whether the correct country name appeared in a field, but whether everyone involved understood what that field actually represented. Product data supplied by the merchant flows through ePAL into the customs and fulfilment process, but the outcome still depends on the accuracy and interpretation of that data.

This became an important focus of the onboarding process. ePAL can perform the required calculations and preserve the supporting information, but the merchant still needed a working understanding of the terminology behind classification, origin, and dispatch. ePAL supported the merchant through this and has since refined its documentation and validation checks to reduce the chance of this recurring for future merchants.

> **Lesson 7: Lean on your partners – whether ePAL, your Shipping provider or your Tax Reporting partner - to flag the critical success factors that can delay or derail deliveries. Address them early.**

Orchestrating the moving parts

The implementation reinforced that cross-border eCommerce is not a single problem with a single solution. It is a connected set of decisions spanning the merchant, its product catalogue, tax authorities, classification data, shipping providers, and customs processes.

ePAL orchestrates those moving parts while remaining dependent on each one functioning correctly. A carrier may not accept a particular product type. An HS6 classification may need refinement. An origin declaration may be misunderstood. An external registration may take longer than expected. ePAL's role is not to pretend these dependencies do not exist, but to bring them together, surface problems as they emerge, and help the merchant find a workable path forward — with expert guidance at every step, rather than leaving merchants to diagnose cross-border issues alone.

> **Lesson 8: Work with a partner who takes a learning approach & builds improvements directly into the product. Demand automation over manual workaround: eCommerce won't slow down for manual tasks.**

Success: selling into Europe again

The merchant has restored its practical ability to sell into the European Union and is now actively shipping to multiple EU countries.

This is not a case study built on dramatic conversion statistics or claims of immediate revenue recovery. It is the story of rebuilding a sales capability that Brexit had reduced from 40% of the business to zero.

The API integration now provides a repeatable foundation for future EU growth. Each additional country should be easier to add now that the initial challenges around registration, terminology, classification, origin, and shipping are well understood — the merchant has already expanded to serve customers in Norway as a result. Most importantly, EU selling is no longer an unresolved compliance problem for this merchant. It is, once again, an active and growing part of the business.

What other merchants can learn

This story reinforces a broader lesson: success in returning to EU markets depends on working with an experienced partner who has done this before. Cross-border commerce should not be taken lightly — it involves real complexity — but getting it right unlocks significant opportunity.

A key takeaway is that running a custom-built eCommerce platform does not have to make cross-border integration prohibitively expensive. With an accessible API, the right business and engineering support, and direct expert guidance, the core cross-border capability can be proven quickly. That said, a successful test is not the end of onboarding. In a dynamic regulatory environment, real shipments will surface issues that testing alone cannot. The first live orders should be treated as part of a controlled learning process, with the merchant, technology provider, and fulfilment partners all prepared to adapt together.

ePAL orchestrates the moving parts and helps merchants understand what needs to change. No partner can make every carrier accept every product or accelerate every government registration — but ePAL brings a comprehensive, expert view that helps identify problems early and find the next workable path forward. For this merchant, those first orders revealed the remaining gaps in the process, and just as importantly, gave the team the information needed to close them.

Thinking about selling into the EU again?

If Brexit has made EU sales feel too difficult or unpredictable, ePAL Global can help. We bring the expertise, experience, and a continuously learning platform that brings together product classification, IOSS eligibility, import VAT, customs duty, shipping, and customs documentation — all orchestrated at checkout and through fulfilment.

Visit epalglobal.com or contact epal@ePALGlobal.com to discuss how we can help you strategize and plan — at no obligation or cost.