



Groceries Code
Adjudicator

News Release

22nd June 2015

Industry survey shows Groceries Code Adjudicator is making a difference

Progress is being made across a range of significant areas in the groceries sector, a comprehensive survey published today reveals.

The YouGov survey carried out on behalf of the Groceries Code Adjudicator (GCA) shows a drop in the number of suppliers reporting Groceries Code-related issues in their dealings with the ten large retailers in the last 12 months from 70 percent in 2014 compared to 59 percent in 2015.

At the same time a larger proportion of suppliers would consider raising issues with the GCA – up 9 points to 47 percent – with concerns about retribution still the dominant reason for holding back.

The survey results were released at the GCA's second annual conference held at Church House in London under the theme *Working Together, Making a Difference*. Adjudicator Christine Tacon hailed them as signs of making a difference in a challenging year for suppliers and retailers.

"We still have some way to go in important areas but this is a clear sign we are on the right track. Suppliers are more aware of the GCA and its work and fewer now believe the GCA will not be able to do anything if they bring an issue to me", she said.

Ms Tacon described the past year as one of milestones – including the launch of the GCA's first investigation – but said her collaborative approach with the retailers was making a difference.

She announced that she was closing another of her top five issues after a full analysis of the way retailers handle and charge for consumer complaints. She also proposed a best practice model for future complaint handling by retailers.

"Many suppliers have told me about their concerns that they were being overcharged by retailers for handling consumer complaints about products supplied.

"I raised this issue with retailers and they have all had a good look at their processes and charges. I am aware that some have changed their approaches as a result, with one more change to be implemented in August this year.

“I found that the charges range from £0 to £45. In some retailers up to 97 percent of complaints are resolved in-store – which is a cheaper way of handling matters. Of those retailers applying charges, some only do so in a small proportion of cases but all retailers charge for serious failings such as product safety issues.

“I have also gone further and proposed a best practice model for future complaints handling by retailers and I am pleased to say the retailers have supported my proposal. The key elements are that retailers should:

- Ensure that suppliers understand the basis of any consumer complaint charges applied;
- Provide information to suppliers about what was wrong with the product within five days to allow the suppliers to take swift action, and
- Aim to resolve more complaints in-store to keep costs down.”

The Adjudicator has now declared the issue of consumer complaints closed along with forensic auditing and discrepancies in charging for drop and drive performance.

But she reminded retailers: “If I receive further evidence on these issues it may lead to an investigation.”

A disturbing issue highlighted by the survey was the low number of suppliers receiving training in the Groceries Supply Code of Practice – overall 29 percent with only 9 percent of the smallest suppliers being trained.

“In my meetings with suppliers over the year it has become increasingly clear that there has to be major push to get them to do more about being trained in the Code. Far too many are still coming to hear me present to learn for the first time about a law that is there to protect them and has been in existence for over five years.

“Retailer buyers are well-trained in the Code, so for a supplier to challenge a request or requirement as non-Code compliant, they need to know their rights. In this coming year I will be encouraging all the relevant trade associations to play a stronger leadership role in relation to the Code by offering training for their members.”

Ms Tacon also announced that on 29th September 2015 she will be hosting a workshop of suppliers to focus on packaging and design charges. Further details will be issued shortly. Packaging and design charges are one of the Adjudicator’s Top 5 issues and their place among suppliers’ main concerns was confirmed by respondents to the YouGov survey.

Notes for editors

1. Enquiries should be directed to [Sheree Dodd](#).
2. Details of the YouGov survey can be found on www.gov.uk/gca

3. The full statement from the GCA on best practice on consumer complaints:

- The GCA has reviewed the consumer complaints policies of all ten retailers to assess their alignment with the Code;
- It was found that retailers adopted a range of practices: some retailers apply no charge for general complaints while other retailers have set charges ranging from £0-£45. Of those retailers applying charges, some only do so in a small proportion of cases. All retailers apply a charge for serious failings (e.g. foreign bodies, serious illness and injury).
- The GCA has concluded that on the information provided, from August 2015 all retailers' policies appear to be compliant with the Code and that charges made by those retailers, where applied, appear to be reasonable.
- The GCA has requested that retailers consider what improvements they could make to the transparency of their communications with suppliers about complaints received and complaints handling more generally, to allow suppliers better to anticipate when charges will be applied. The GCA has indicated this may be achieved by:
 - Ensuring that suppliers understand the basis of any consumer complaint charges applied;
 - Providing detailed complaint information as quickly as possible to suppliers, so they can act on it sooner, and considering whether a commitment can be made to do this within 5 working days of receiving the complaint; and
 - Resolving a higher percentage of complaints in-store and charging a lower amount for this type of resolution than where head office or third party involvement is merited.