



Groceries Code  
Adjudicator

## **GCA policy: Interpretative guidance, best practice statements and retailer voluntary commitments**

March 2016

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### **Outline**

Statement by the GCA clarifying the status of three key types of GCA publication.

### **GCA publications covered by this policy**

The GCA uses three main types of publication to communicate to retailers and others how the GCA interprets particular aspects of the Groceries Supply Code of Practice (the Code):

1. Interpretative guidance
2. Best practice statements
3. Retailer voluntary commitments

Each carries a different level of compliance risk, from a retailer perspective.

### **Interpretative guidance**

This is made under s.12(3)(a) of the GCA Act 2013. It clearly interprets a specific provision of the Code. If a retailer is found not to have followed interpretative guidance in designing or applying policies in the area covered, the GCA is likely also to find that retailer to have acted in breach of the Code.

An example of interpretative guidance is the GCA guidance on De-listing. It does not mandate specific business practice, as that is not the role of the GCA. Instead, it sets out a framework of relevant considerations when embarking on activity which may lead to De-listing, such as range reviews or range reduction, or review and re-award of tenders in a particular groceries sector, and indicates that these should be considered by retailers at both macro- and micro-levels. The published interpretation would, in the absence of exceptional circumstances, be applied in both investigative analysis and arbitrations.

The GCA will consult anyone the Adjudicator considers appropriate before issuing interpretative guidance. This will always include the retailers, through business-as-usual channels.

### **Best practice statements**

This is how the GCA has chosen to address areas such as the handling of consumer complaints, which are clearly within the Code, but where the aim of the GCA is to promote better working practices by the retailers. Best practice statements are aspirational. Failure to adhere to them is not necessarily a breach of the Code. Instead, retailers will be expected to engage in discussions in their regular meetings with the GCA about how they are making progress towards the stated best practice position.

### **Retailer voluntary commitments**

This is how the GCA has sought to drive improvements in retailer practice in areas which are relevant to one or more specific provisions of the Code, but which do not fall wholly within the Code.

An example of an effective voluntary commitment by retailers was that announced in June 2014 in relation to forensic auditing. It had been reported that forensic auditing activity by some retailers was resulting in some instances in unilateral deductions being made for historic audit claims against current supplier invoices. Where this happened, the provisions of the Code relating to delay in payments would almost certainly be engaged, but the problem identified was not limited to delay in payments, whether or not effected by unilateral deductions; and the GCA had no nexus on forensic auditing activity in its own right.

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