



Groceries Code
Adjudicator

News from the Adjudicator

Edition 2



This second edition of *News from the Adjudicator* coincides with a significant step for the GCA. I have launched my first investigation which is into Tesco plc. You can read more about it on the [website](#). I would encourage suppliers, trade associations and anyone else who has [evidence](#) to send it to me by 3 April 2015.

The past three months have passed swiftly and this second edition shows what a very busy time it has been at the GCA.

One of my aims in the last quarter of 2014 was to increase understanding of the scope of my role and what part suppliers should be playing. Journalists have really helped spread the word; I hope this will continue. I have given a large number of interviews to newspapers – regional and national and television. Highlights included a Panorama investigation as well as Radio 4's Today

Programme and Wake Up to Money on BBC Radio 5 Live, a feature in the Financial Times and the Evening Standard. I trust that suppliers are listening to my encouragement to them in all this media coverage.

Parliamentarians on Westminster and Edinburgh Committees asked me for my views on my role on the difficult issues on dairy prices. I have explained that this issue falls outside my remit because the Groceries Supply Code of Practice is limited to the ten large retailers and their direct suppliers' relationships and does not regulate prices.

I welcomed Vince Cable's acceptance of my recommendation that I should be able to fine supermarkets up to 1% of their annual UK turnover for breaches of the Groceries Supply Code of Practice. At the end of January the Government laid the necessary financial penalty legislation.

The proposed maximum fine is on a scale to act as a powerful deterrent to any retailer who might contemplate breaching the Code. Parliament intended the GCA to have the power to fine and when the legislation has passed through both Houses it will complete the range of penalties available to me. I will be able to apply fines only to breaches of the Code which occur after the penalties order is in place.

I am glad there is now clarity on this issue but I have not been prevented from carrying out my responsibilities by the absence of a fining power. Since I have been in post I have been focusing on achieving culture change from the top down in retail supply relationships, working with direct suppliers and retailers at the most senior levels.

I hope this update has been useful and please send me your ideas on what you would like to read about in *News from the Adjudicator*.


Christine Tacon



In this edition:

- The Top 5 – Report on Progress
- Understanding Suppliers' views
- Meet the CCO – David Roberts, Waitrose Ltd.
- Save the date – GCA Annual Conference

Making progress on the Top Five Issues

In the important area of drop and drive the GCA has successfully facilitated an industry-led approach to resolving an issue that can cause significant delays in payments.

I am satisfied that drop and drive is now progressing in the right direction ([read more here](#)) and there is no need for any further GCA involvement. Delay in payments overall firmly remains in my Top 5.

Forensic auditing has been resolved and so I have replaced it with the issue of customer complaint charges passed on to suppliers and in particular, the ways in which these are set by retailers. Details can be found in the minutes of the [Group CCO meeting](#).

Understanding Suppliers' views

Knowing more about what suppliers think of the GCA and their views about what I can achieve is crucial to me. In December YouGov polled a group of respondents who said at the time of the 2014 market survey that they would be prepared to answer more questions in depth.

You can read more about the survey [here](#) but I have been reassured by a number of findings:

- Despite current challenges in the sector more respondents believe relations with retailers have improved than those who think they have worsened
- Suppliers have reinforced my selection of the top five issues
- Suppliers want to achieve a collaborative culture through a joint approach in which retailers and suppliers work together for the good of each of them.

However, the survey demonstrated there is still significant confusion among suppliers about the areas where I can act. I will take every opportunity to provide information to help overcome such confusion. Today we are publishing a simple [flow chart](#) to describe how issues raised with the GCA are handled.

Look out for the 2015 survey in April. I want to hear as many of your views as possible.

Meet the CCO

David Roberts – Code Compliance Officer for Waitrose Ltd – has answered News from the Adjudicator's questions about his role at the retailer. Read more [here](#) about how Waitrose works with its suppliers and what he wants to achieve in the next 12 months.

Contact: David_Roberts@waitrose.co.uk

GCA Annual Conference – Save the date

Christine Tacon will host the GCA's Annual Conference on Monday June 22nd at Church House Conference Centre with registration starting at 9.30am. Keep watching the GCA website for further details of the programme and how to register.