



News from the Adjudicator

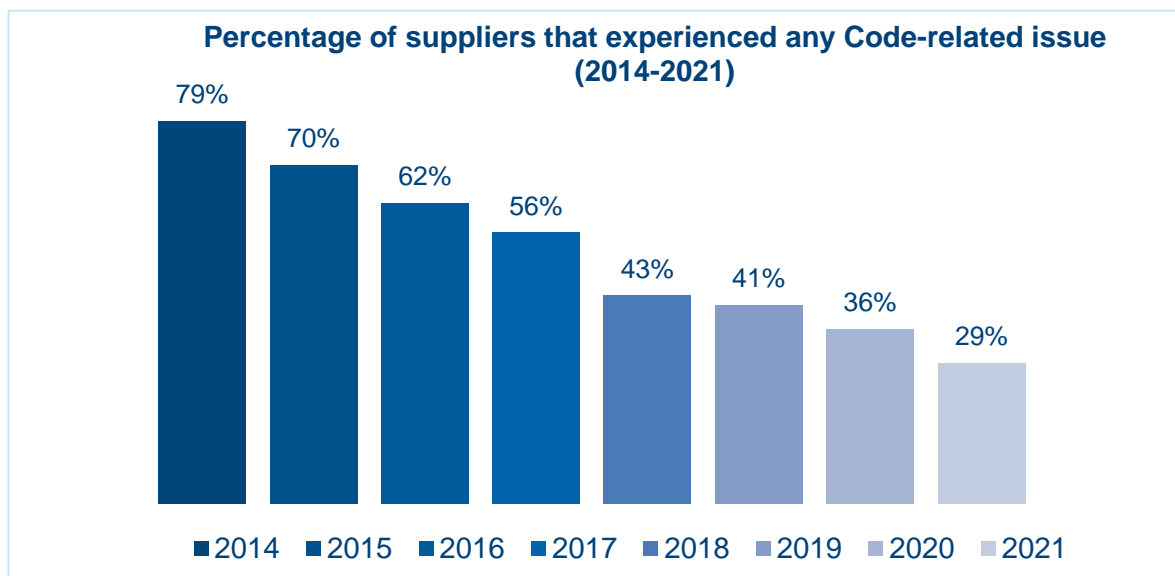
Welcome from the Groceries Code Adjudicator



A very big thank you to all of you who responded to my call in the last newsletter to complete the GCA 2021 survey. I am delighted to announce that we received an astonishingly high response. At 2598 responses the total was 60% higher than the number completing last year's survey which itself attracted a record response. I am delighted that 2398 direct suppliers - including an increasing number based overseas - took part.

This survey will be very important to me in my first year as GCA. With direct suppliers giving me their frank views on the designated retailers' performance and the issues that most concern them I now have very valuable information to plan my work for the months ahead. I am also very grateful to the retailers for the part they play in making the survey a success, encouraging their suppliers to complete the questionnaire. Again this year, most suppliers told the polling company YouGov that they had heard about the survey from their retailers.

I am currently analysing the detailed data but I can reveal that the survey shows continuing improvement in the relationship between retailers and suppliers. The number of suppliers reporting they had experienced Code-related issues at any stage in the past year fell to a record low - down to 29% compared to 36% in 2020. This is particularly encouraging given the challenges of the past year and the large rise in responses. It demonstrates how far the sector has come since 2014 when eight out of ten suppliers reported experiencing issues in the first GCA survey.



Later this year I will publish the survey findings in full, including examples of good practices by the retailers highlighted by their suppliers. YouGov will also be carrying out a number of interviews with direct suppliers to explore a range of topics that have emerged from the findings.

Further progress on forensic auditing

The first ever GCA survey revealed that the issue of most concern to suppliers was forensic auditing with 45% reporting in 2014 that they had experienced the issue. The problem was that some retailers were proactively exercising their legal right to make claims against suppliers going back six years by claiming for historic invoicing errors or submissions.

Suppliers were being asked for significant sums of money with the burden of proof falling on them to show any discrepancies were not valid claims. This was a major challenge for suppliers operating in a fast moving sector where the documentary audit trail was often difficult to piece together after such a long period.

To help resolve this issue the GCA encouraged retailers to sign up to a voluntary commitment under which they agreed to limiting the auditing of their suppliers' trading accounts in search of missed claims to no more than the current and previous two financial years as long as suppliers agreed to do the same.

Currently 12 of the 13 retailers that I regulate are signatories to the commitment and now Sainsbury's has said it will adhere to the commitment from 6 March next year. This voluntary commitment has played an important role in building more constructive relationships in the groceries sector and I am delighted that Sainsbury's has seen the value of signing up to it.

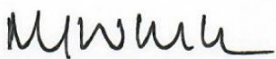
Since the voluntary commitment was introduced in 2014 the numbers of suppliers reporting experiencing forensic auditing has fallen dramatically although some concerns remain about how audits are conducted and finalised. I raised these concerns, including the settlement of counterclaims, during my recent progress meetings with CCOs and confirmed I will continue to monitor this issue. You can read the minutes of these meetings [here](#).

'Tell the GCA' now up and running and receiving information

My confidential reporting platform 'Tell the GCA' is now up and running and available to suppliers who want to report behaviour by a designated retailer that they believe to be in breach of the Code. You can access it at www.telltheGCA.co.uk.

The platform allows suppliers to provide information anonymously and there is a facility to continue to correspond with me via a secure post box that protects their identity. The process is very straightforward and I am already receiving valuable information from suppliers who have used it.

Don't forget, if you would like to get in touch with me or my team directly to tell me about your experiences, you can email Enquiries@GroceriesCode.gov.uk or call 020 7215 6537.



Mark White
