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# The Groceries Code Adjudicator

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July 2013

# Competition Commission Report

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- Competition Commission Market Investigation 2008 into groceries market
- Found groceries sector broadly competitive  
BUT:
  - Some retailers transferring **excessive risk** and **unexpected costs** to their direct suppliers
  - Impact on suppliers' willingness to invest, quality and innovation – leading to potential consumer detriment

# Competition Commission Remedies

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Competition Commission recommend:

- Creation of **Groceries Supply Code of Practice**
  - part of wider Groceries (Supply Chain Practices) Market Investigation Order 2009
- Creation of **Groceries Code Adjudicator**

# Groceries Supply Code of Practice (GSCOP)

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- Applies to ten retailers, annual turnover £1bn+

Tesco

Co-op

Sainsbury's

Marks and Spencer

Asda

Lidl

Morrisons

Aldi

Waitrose

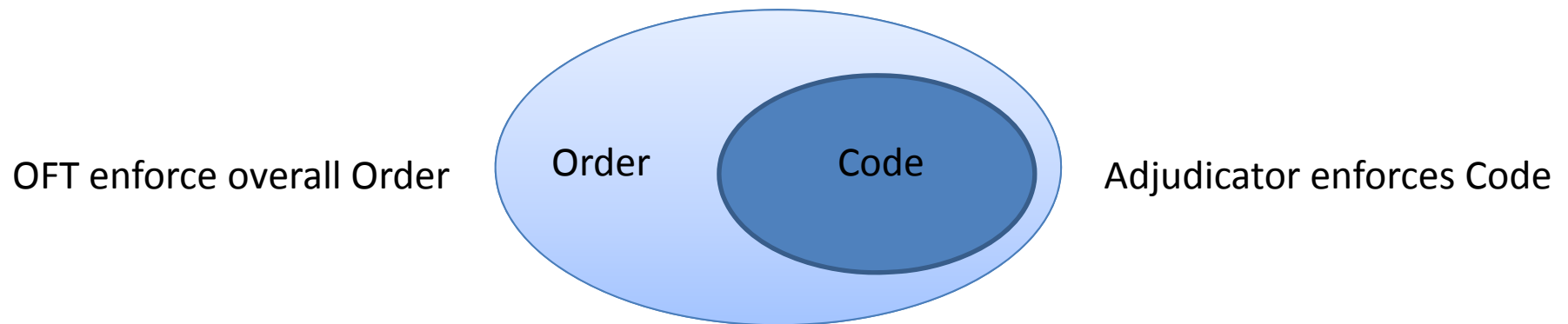
Iceland

- Only covers interactions between retailers and direct suppliers
- Interactions between primary producers and intermediaries out of scope

# Order vs. Code – Division of Labour

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- OFT monitor overall retailer compliance with Order
- GCA enforces Code only, and arbitrates disputes



# GSCOP covers:

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- No variation of supply agreements without notice
- Goods must be paid for on time
- Limits on seeking payments for shrinkage/ wastage
- No listing fees, except in limited circumstances
- Suppliers to be compensated for forecasting errors
- No position payments unless in relation to a promotion

**IMPORTANT – THIS IS ONLY A SUMMARY  
THERE MAY BE EXCEPTIONS TO THE GENERAL REQUIREMENTS  
REFER TO THE CODE ITSELF BEFORE PURSUING A COMPLAINT**

# GSCOP covers:

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- No making suppliers fund promotions predominantly
- No over-ordering at promotional price
- Suppliers must not be made to make unjustified payment to a retailer for consumer complaints
- De-listed only for genuine commercial reasons
- Must give reasonable notice of and opportunity to discuss delisting with Code Compliance Officer

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# GSCOP does not cover:

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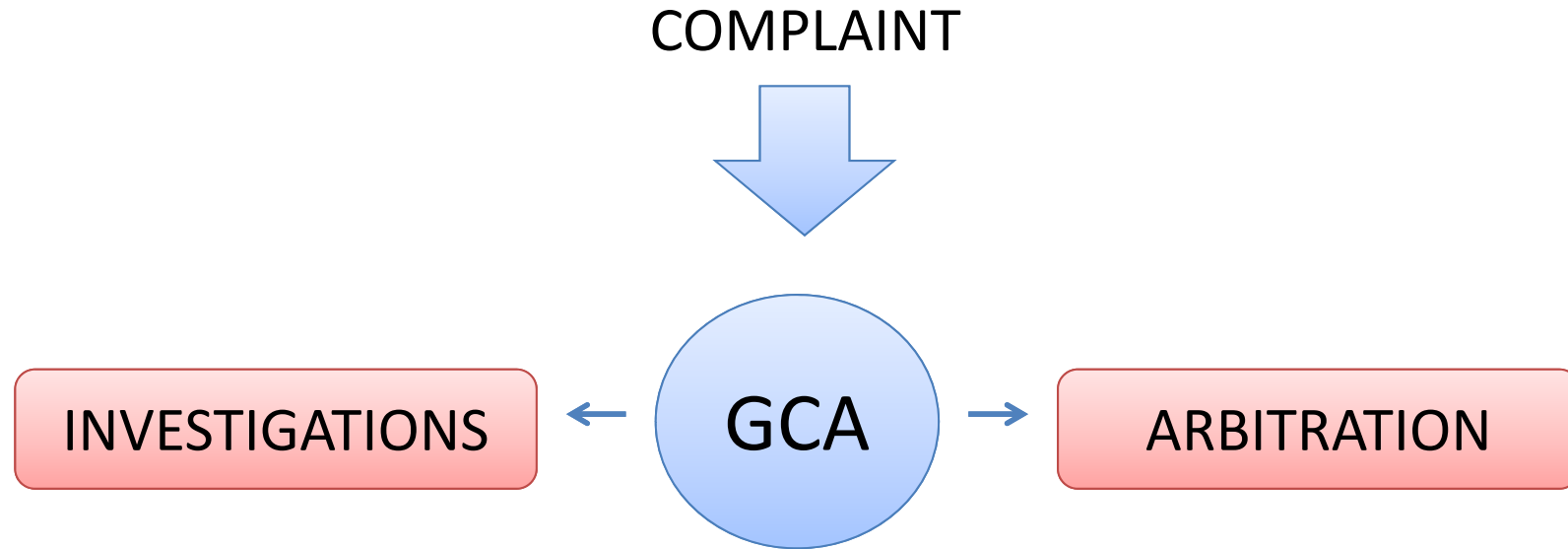
- Price setting
- Domestic meat vs. imports
- Interactions not between retailer and direct supplier
- Food safety and labelling / horsemeat
- Pay and conditions of agricultural workers

If not covered by GCSOP, Adjudicator can't consider it



# Groceries Code Adjudicator

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- 2-4 investigations per year
- Likely to focus on widespread practices
- Complaints and information kept confidential
- Can impose sanctions if Code breached
- Can't award liability or redress

- At supplier's request
- Retailer and supplier known to each other
- Adjudicator's decision binding
- Can award redress

# Sanctions

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If investigation finds Code was breached, the Adjudicator can:

- Issue **recommendations** against retailer
- Require retailers to **publish details of breach**
- **Fine** retailers – expected for severe or repeated breaches only

# Timeline

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April 2013	Royal Assent granted
June 25th 2013	Act commenced
Summer 2013	GCA publishes draft guidance for consultation
Autumn 2013	12 week consultation closes
Dec 2013	GCA publishes final guidance and investigation powers start

# Contacting the Groceries Code Adjudicator

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<https://www.gov.uk/government/organisations/groceries-code-adjudicator>