

Groceries Code Adjudicator: Insights from “an effective modern regulator”

BEIS Statutory Review July 2017

15 June 2018



Groceries Code
Adjudicator

Role of the GCA

- Monitor, enforce and ensure compliance with the Groceries Supply Code of Practice (the Code)
- Help strengthen the supply chain and bring further innovation to the groceries sector benefiting suppliers, retailers and customers

The Code

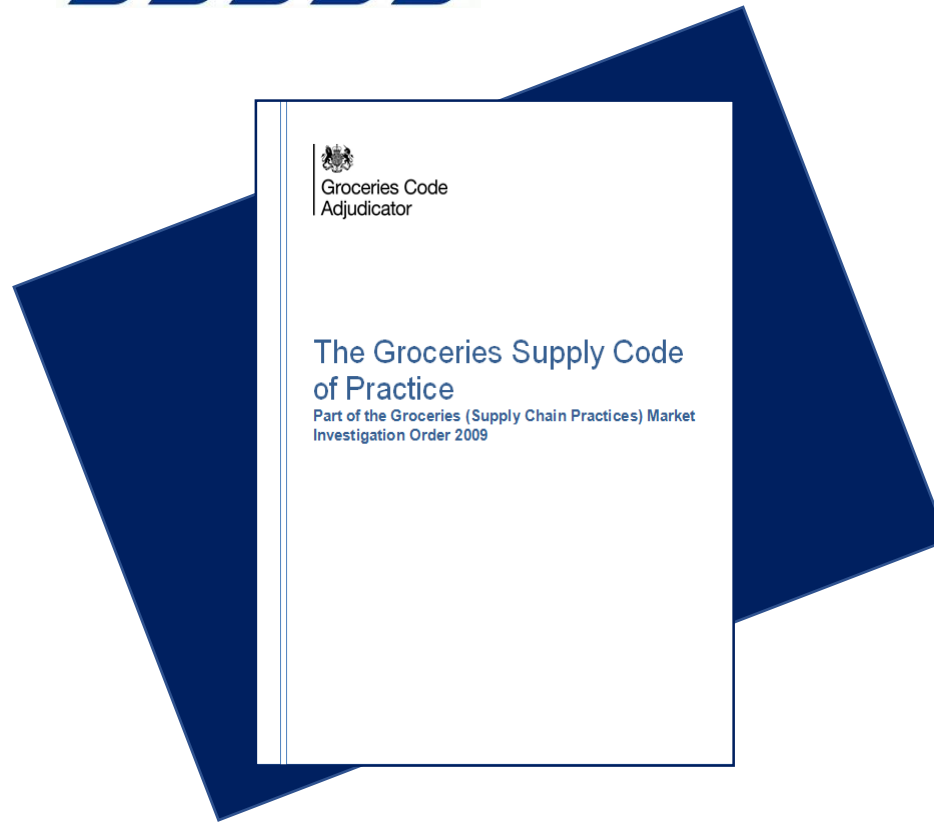
ASDA

TESCO

Waitrose

M&S

EST. 1884




Morrisons
Since 1899

Sainsbury's

Iceland

**co
op**

Performance measures

Statutory Reporting Requirements	Strategic Objectives
Disputes referred to arbitration under the Groceries Supply Order	Promoting the work of the GCA
Investigations carried out by the GCA	Providing advice and guidance
Cases in which the GCA has used enforcement measures	Acting on suppliers' issues and information
Recommendations that the GCA has made to the Competition and Markets Authority for changes to the Code	Improving the culture of Code compliance

A modern regulatory approach

- **Collaboration and business relations at its core**
- **Three stage 'collaborative approach'**
 1. **Make retailers aware of issues reported by suppliers**
 2. **Request that retailers investigate the issue and report back to me**
 3. **Take formal action if the practice continues**

Meeting with retailers and suppliers (2017/18)

61 

**RETAILER
MEETINGS**

4



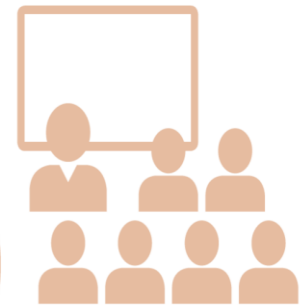
**NEWSLETTERS
PUBLISHED**



59

**SUPPLIER
ONE-TO-ONES**

30



**SUPPLIER AND TRADE
ASSOCIATION EVENTS**

Tools

- Voluntary commitment
- Best practice
- Case studies
- Interpretative guidance



Press release
Groceries Code Adjudicator reports success on forensic audits

Large retailers act after encouragement from the Adjudicator to time limit audits and reduce burden on suppliers.

Published 24 June 2014
From: [Groceries Code Adjudicator](#)


A white shopping cart icon is centered within a blue circle, which is itself set against a red square background.

Guidance
Guidance on de-listing practice

Interpretive guidance on retailer de-listing practice.

Published 27 November 2014
From: [Groceries Code Adjudicator](#)

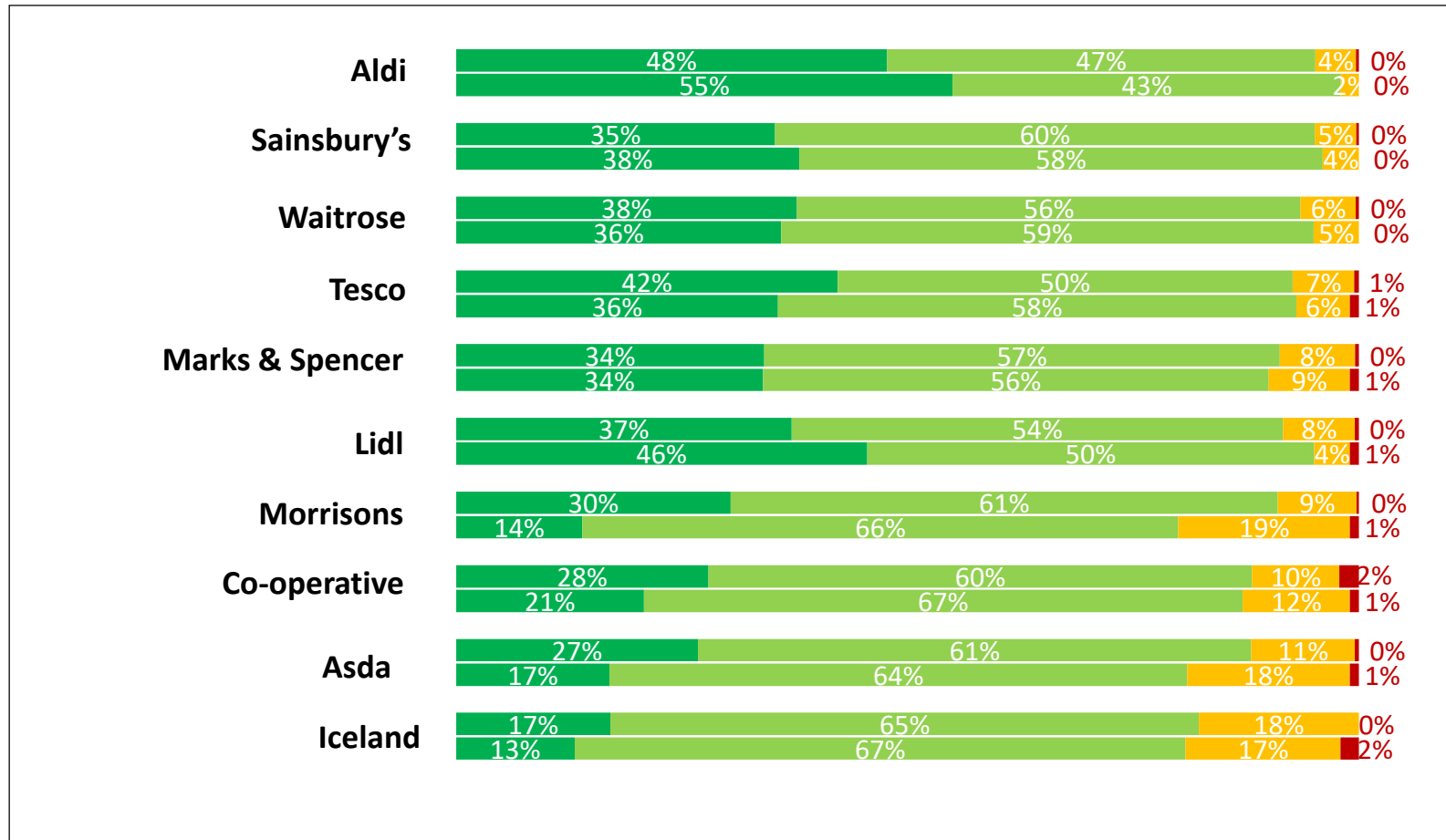
Documents



[GCA Delisting guidance](#)
PDF, 256KB, 4 pages

Annual survey

Suppliers perception of how retailers comply with the Code overall



Retailers ranked by net 'consistently well' and 'mostly' (2017 v 2016)

Annual survey (2)

	Retailer 1	Retailer 2	Retailer 3	Retailer 4	Retailer 5	Retailer 6	Retailer 7	Retailer 8	Retailer 9	Retailer 10
Incorrect deductions from invoices										
Data input errors not resolved promptly (e.g. 7 days)										
Artwork and design: Unfair, unreasonable or unexpected charges										
De-listing without giving reasonable notice										
No compensation/incurring penalty charges for inaccurate forecasting by the retailer										
Drop and drive: delays in, or not receiving, payment when there are disputes over deliveries										
Forensics: third party audits which have been abusive or excessive in nature										
Unjustified payments for consumer complaints										
Unfair/unreasonable/unexpected charges for: Packaging										
Requests for lump sum payments relating to: Retailer margin shortfall not agreed at the start of the contract period										
Other requests for lump sum payment										
Overbuying at promotional price and subsequently selling at full price										
Requests for lump sum payments relating to: Listing fees for products already stocked (pay to stay)										
Requests for lump sum payments relating to: Better positioning or increased shelf space or participation in category captaincy/category management/range reviews										
Other										

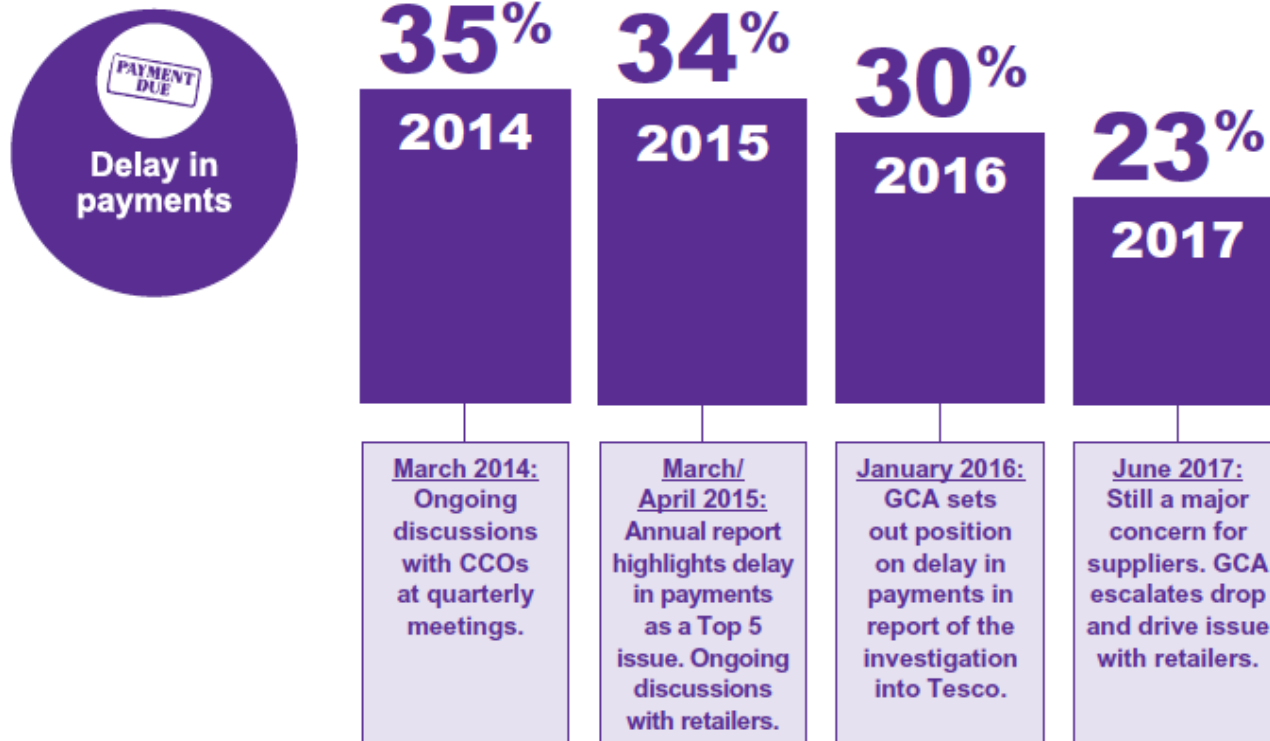
N.B. Retailers have been shuffled and are NOT shown in alphabetical order

Top issues



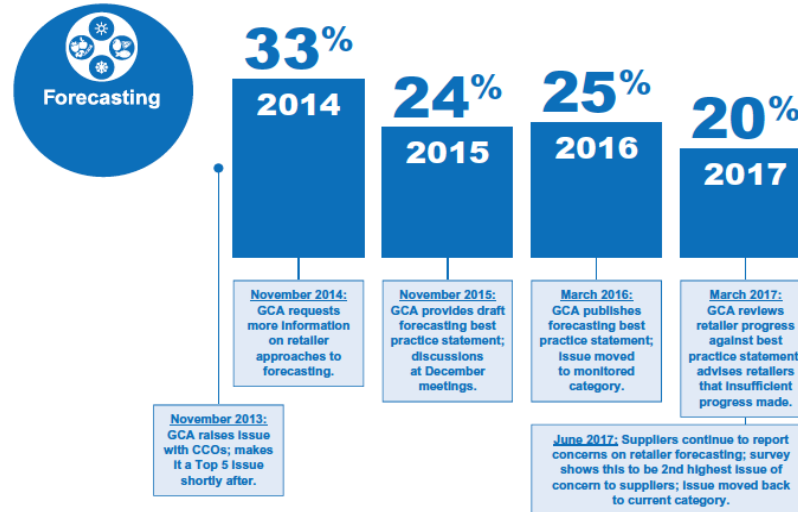
Paragraph 5 of the Code

Remains the
number one
issue for
suppliers



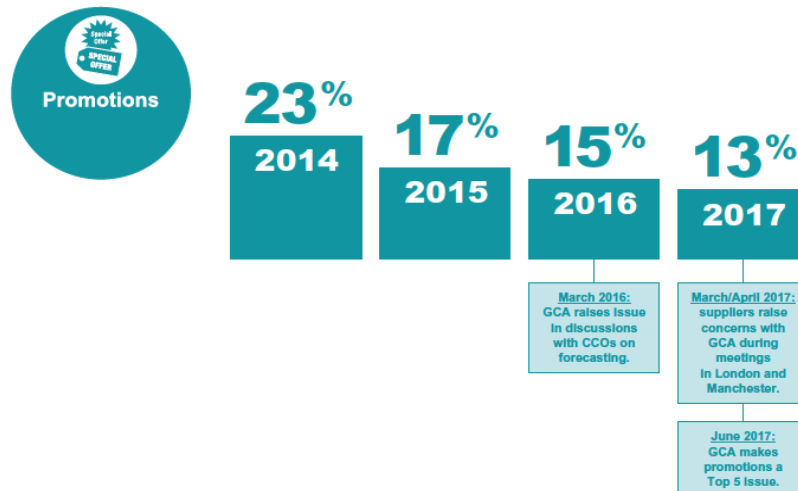
*% of direct suppliers reporting in annual survey that they had experienced a delay in payment.

Paragraph 10 of the Code



*% of direct suppliers reporting in annual survey that they had experienced an issue with no compensation for forecasting errors.

Paragraph 14 of the Code



*% of direct suppliers reporting in annual survey that they had experienced an issue with not applying due care when ordering for Promotions.

Investigations and arbitrations

News story

Tesco breached Code

The Adjudicator publishes her report into the compliance of Tesco plc with the Groceries Supply Code of Practice.

Published 26 January 2016

From: [Groceries Code Adjudicator](#)



8 March 2018 — News story

GCA launches investigation into Co-operative Group Limited

The GCA announces an investigation into Co-operative Group Limited



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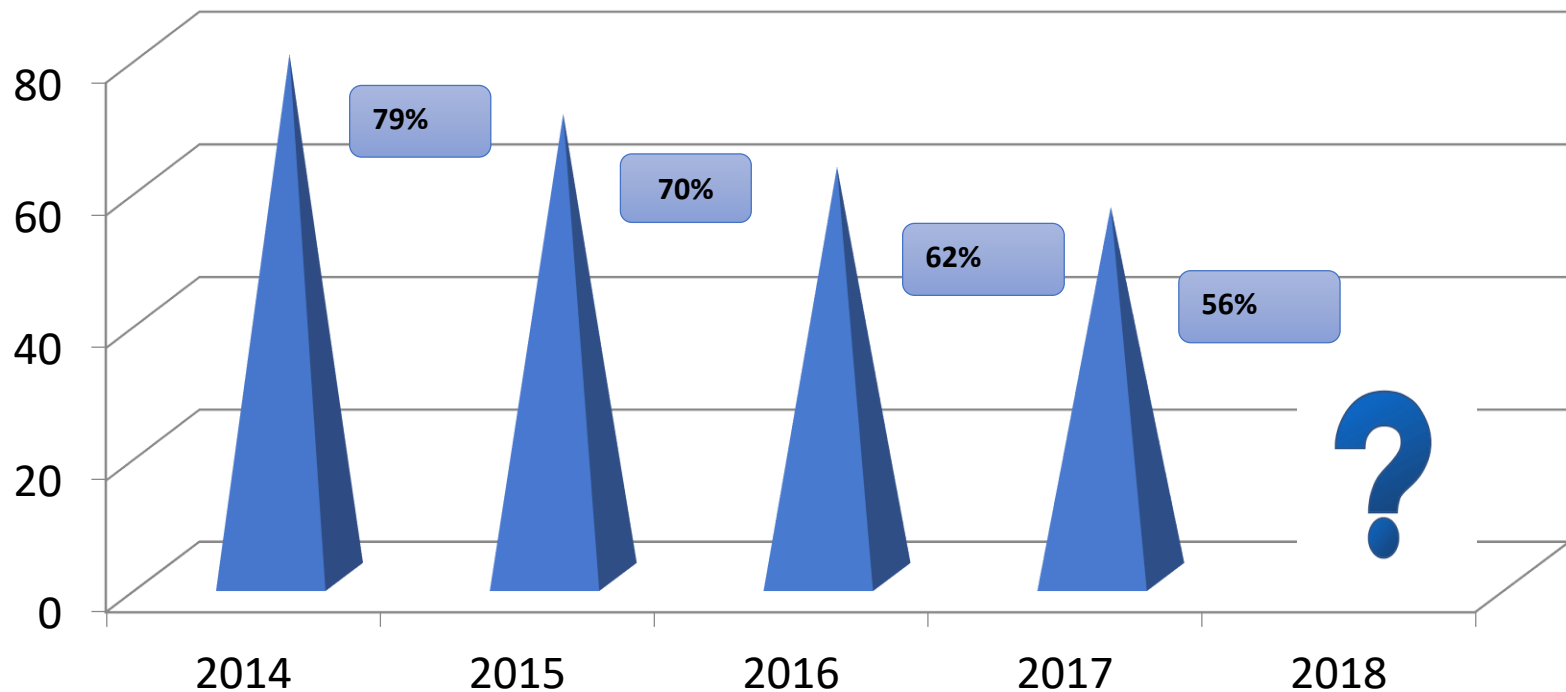
Driving Change, Making an Impact

Current situation

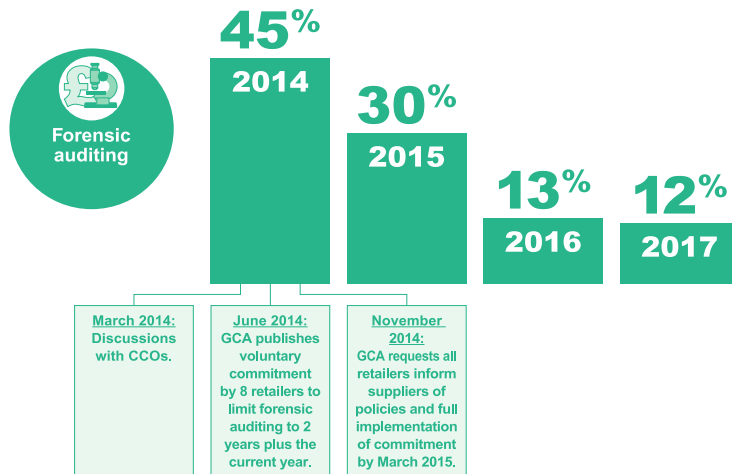
- Culture change
 - Retailers asking me how to improve
- Suppliers opening up to me
 - Spread of training
 - Aware of the Code
 - Telling me about issues
- Progressing top issues

Seeing progress year-on-year

- Improved compliance against a challenging industry background



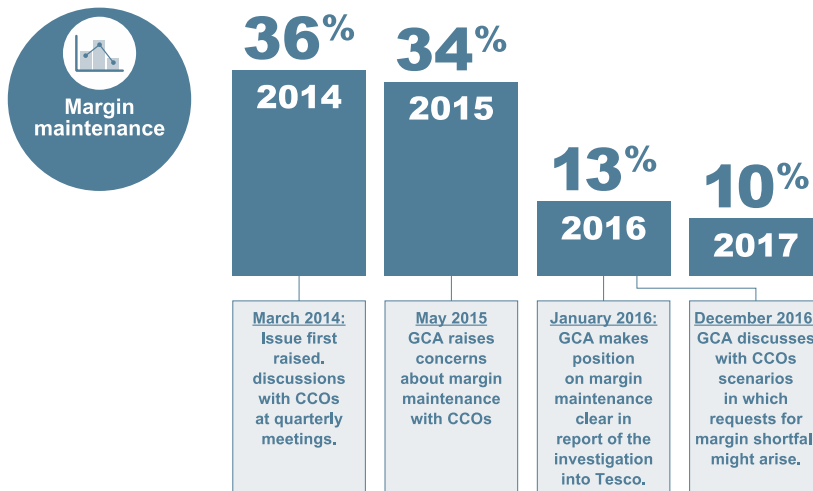
Driving Change, Making an Impact



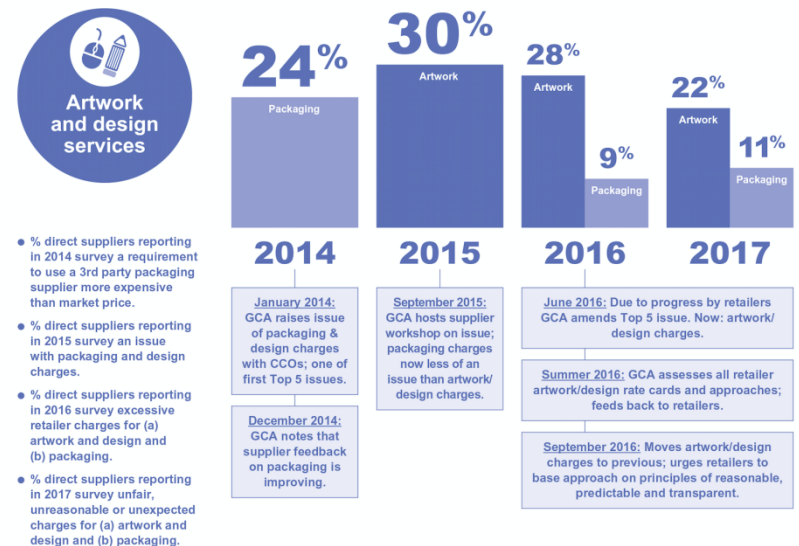
% direct suppliers reporting in annual survey having experienced 3rd party audits which have been abusive or excessive.



% direct suppliers reporting in annual survey that they have experienced unjustified payments for consumer complaints.

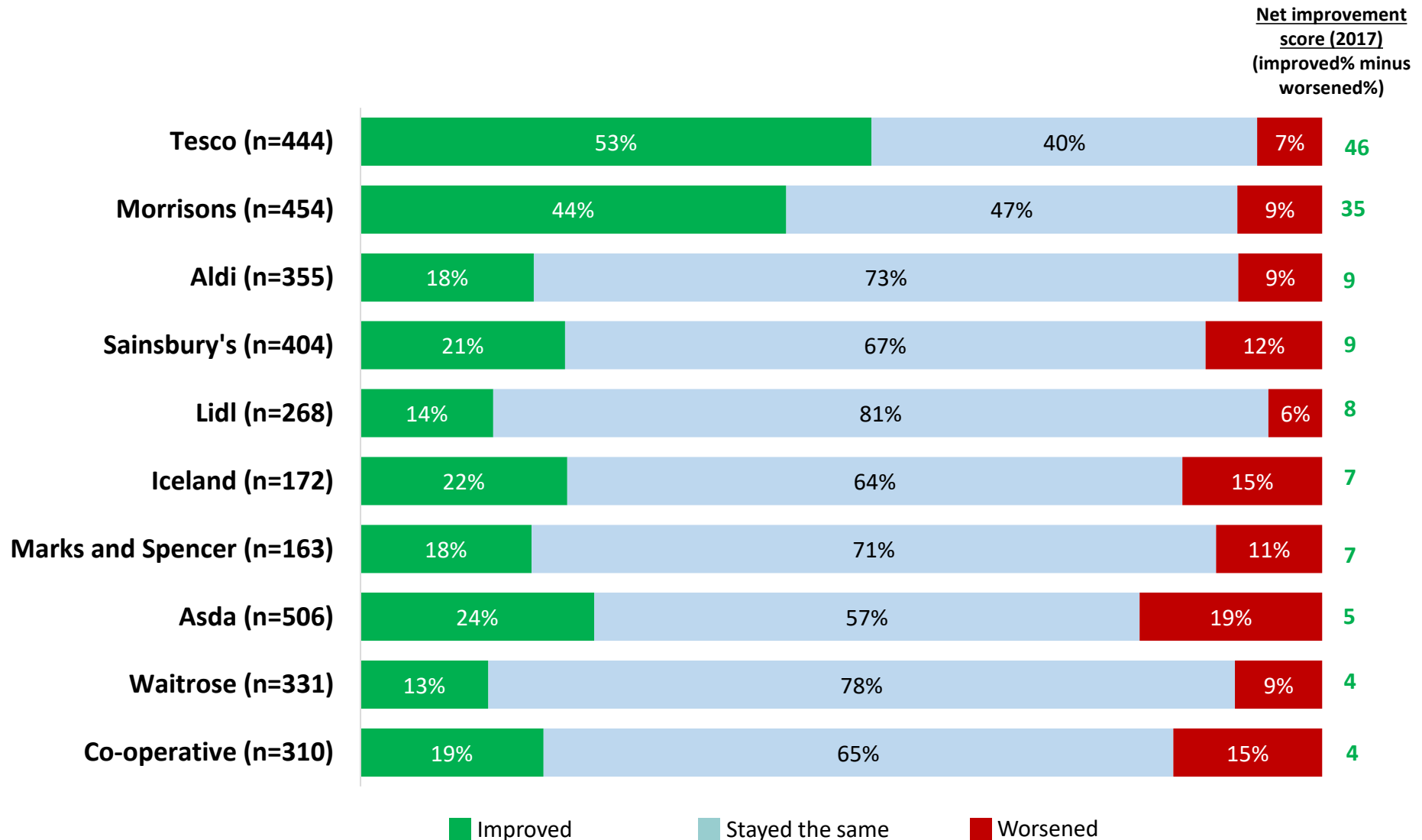


% direct suppliers reporting in annual survey they have experienced requests for lump sum payments relating to retailer margin shortfall.



- % direct suppliers reporting in 2014 survey a requirement to use a 3rd party packaging supplier more expensive than market price.
- % direct suppliers reporting in 2015 survey an issue with packaging and design charges.
- % direct suppliers reporting in 2016 survey excessive retailer charges for (a) artwork and design and (b) packaging.
- % direct suppliers reporting in 2017 survey unfair, unreasonable or unexpected charges for (a) artwork and design and (b) packaging.

Changes in retailer practice between 2016 and 2017



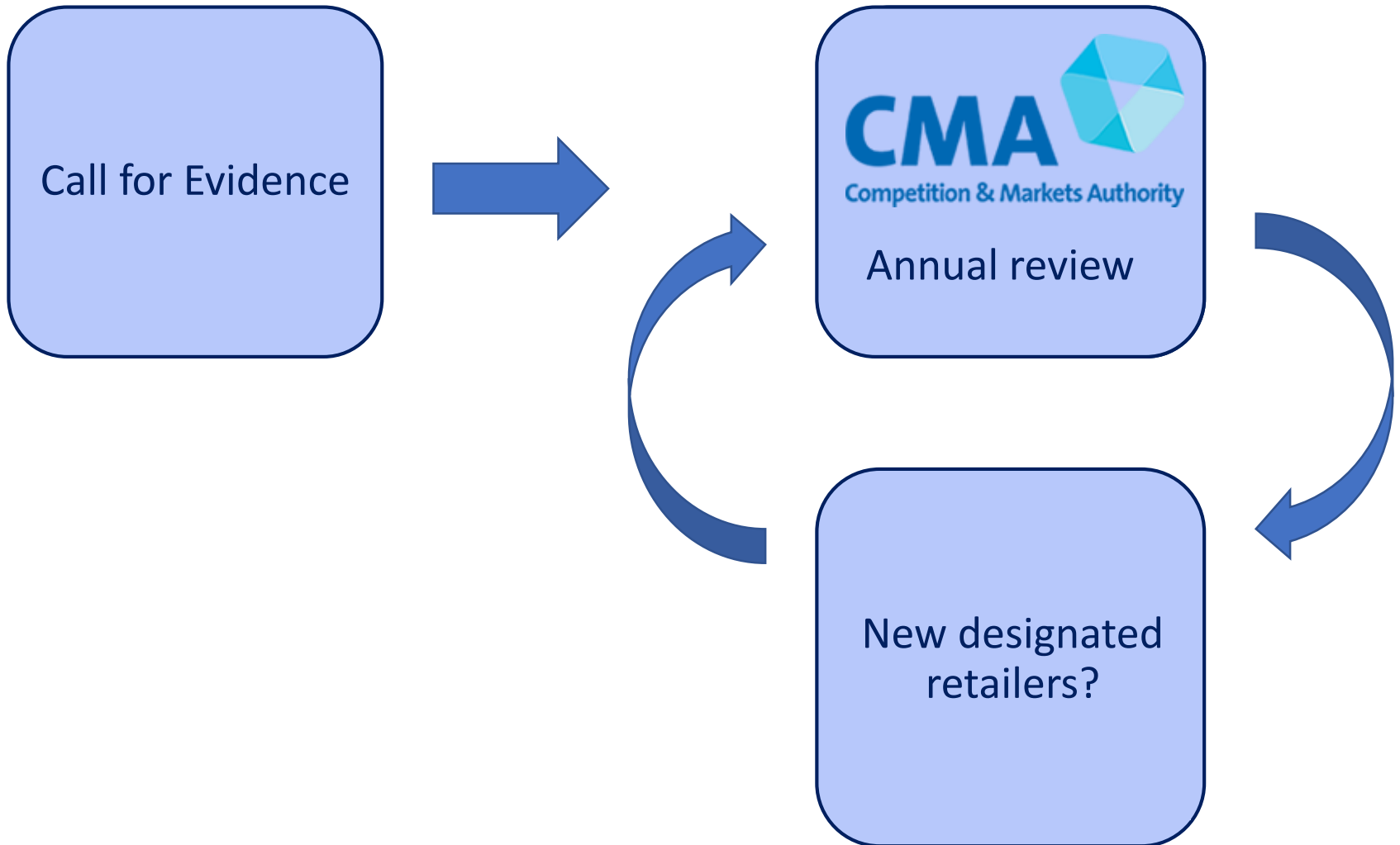
Annual conference – 25 June 2018



Time to be Code Confident



Remit extension



Sign up for the GCA newsletter



www.gov.uk/gca
@UKGCA

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Thank you