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# The Groceries Code Adjudicator

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# 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

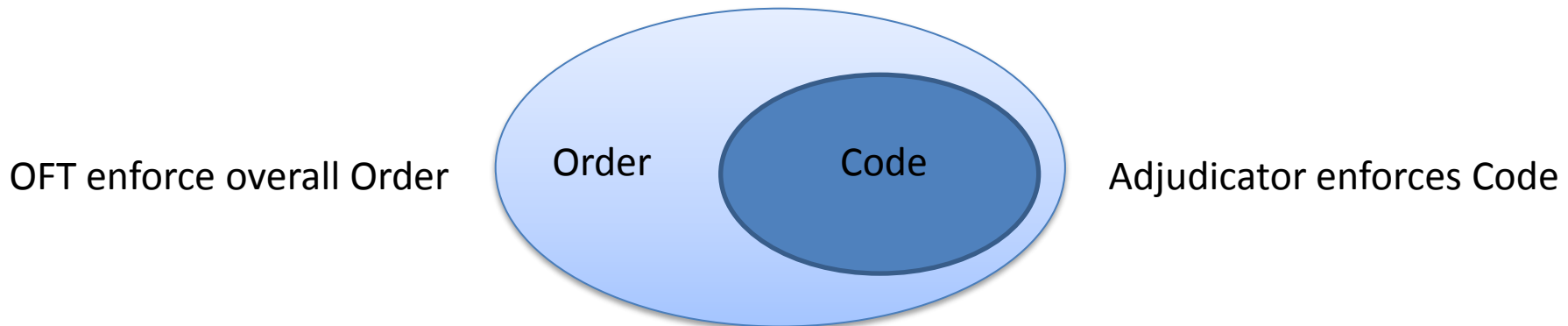
Iceland

- 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

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

# GSCOP does not cover:

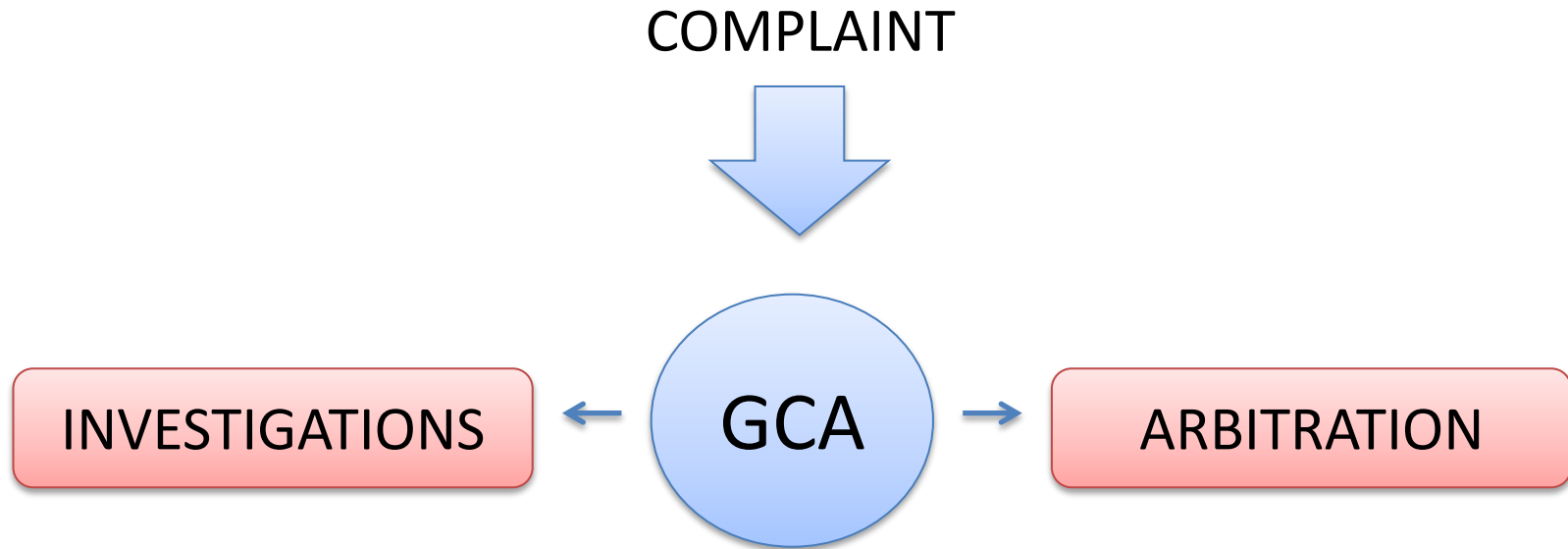
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- Price setting
- Domestic meat vs. imports
- Interactions not between retailer and direct supplier
- Food safety and labelling / horsemeat
- Pay and conditions of agricultural workers

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



# Groceries Code Adjudicator



- 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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2013

April

Royal Assent granted

June 25th

Act commenced

July 31<sup>st</sup>

GCA published draft guidance  
for consultation

Oct 22nd

12 week consultation closes

Dec 20th

GCA publishes final guidance and  
**investigation powers start**

2014

Spring

BIS Sec of State agrees maximum fine

# Contacting the Groceries Code Adjudicator

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Southampton Row  
London  
WC1B 4DA

[enquiries@gca.gsi.gov.uk](mailto:enquiries@gca.gsi.gov.uk)

[www.gov.uk/government/organisations/groceries-code-adjudicator](http://www.gov.uk/government/organisations/groceries-code-adjudicator)