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Standing up for suppliers against Britain's biggest supermarkets



Suppliers now have a champion against the tactics of the major retailers like the Co-op

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CHRIS BLACKHURST

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Christine Tacon's office is hard to find. It's tucked away in the

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building used by the Competition and Markets Authority in Holborn. She's up the stairs, ask the reception there, and turn sharp left.

It's odd because she has what should amount to just about one of the highest-profile jobs in the land at present: Groceries Code Adjudicator (GCA).

Tacon, 55, is the country's first supermarket ombudsman, appointed to rule on disputes between supermarkets and suppliers, and to expose and punish bad behaviour. Those relationships have been at the fore in the accounting

payments from suppliers - and, albeit slightly differently, the demands imposed on producers by Premier Foods and 2 Sisters. Related stories

scandal at Tesco, which highlighted how major retailers extract

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Her appointment, in 2013, came after years of lobbying by

farmers against perceived big-business malpractice, and after

the recommendation by the Competition Commission in 2008

wars?

that such a post was required.

But even that suggests hers is not an all-powerful brief with grand premises and staff to match. It took five years to get the job up and running. And she's only part-time, paid £69,000 for three days a week.

Tacon deals with the 10 biggest supermarkets and their

being obeyed. In person, she is nothing if not forceful. She has a direct, brisk,

suppliers, and ensures the Groceries Supply Code of Practice is

manner, not afraid to speak her mind, seemingly uncowed. She's wearing businesslike work clothes, but offset by a striking pair of kitten boots: "United Nude, I love them."

Tacon grew up in Norfolk. Her father was a solicitor and she went to Wycombe Abbey, the girls' boarding school in Buckinghamshire. After that came Cambridge, to study engineering.

Her first job was at Coats Viyella: "I thought that somehow I'd be working on making coats for Jaeger but it was precision die-casting."

She studied part-time for an MBA, then decided she needed to switch, so she joined Mars.

It was, she says, one of the "big chunks in my career that

[fast-moving consumer goods] at Mars and as the marketing and sales director at Anchor Foods. And another was managing the farms owned by Co-op Retail." She also worked at Vodafone. She left the Co-op in January, 2012, with the intention of going plural: "I'd been in the same

enabled me to see things from the suppliers' viewpoint. One was

roles." More from Chris Blackhurst

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job for a while and I felt stuck. I wanted to build up portfolio

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- Tacon picked up a few posts, including non-executive directorships of the Met Office and Anglia Farmers, and is a member of both the Natural Environment Research Council and

Adjudicator. "It was designated as a one-day-a-week job, then it turned into three days, then it was given its own staff." She lives in Macclesfield, in Cheshire, with her husband. They

have two children, 19 and 16. Her passion is "vintage cars — we do the London to Brighton run every year". Hers is a team of six: Tacon, then a head of legal, head of policy,

PR and two support staff. They all work out of one room. They're funded by the 10 biggest retailers, who must pay a levy to the GCA.

Given the paucity of her resources and the size of the retailers with their battalions of expensive lawyers, plus the difficulty of persuading any supplier to break cover and risk losing his or her contract, it's perhaps not surprising that — so far — Tacon has no supermarket scalps on her belt.

has been recommended." Just two cases are highlighted. One involved Tesco and an employee demanding payment from suppliers for better shelf

As she says in her annual report: "No investigation launched; as

no investigation has been launched, no enforcement measure

positioning of their products. Tacon said that was contrary to

the spirit of the code.

more collaborative supply chain."

into line, and following the code.

about the code and their rights.

pay for a claimed shortfall.

packaging.

complaint charges".

The second was the Co-op, which contacted suppliers to ask if they could compensate it for failing to meet target service levels. This was against the code — the Co-op recognised as much, and

Tesco said it was a mistake and assured her that all buyers had

been reminded not to request such payments.

promised her they'd stopped asking for the money and had got in touch with all the suppliers who were affected. What there is not any sign of is Tacon blitzing Tesco, Co-op and

with fines. So far, that has not been her approach — not because she hasn't the firepower but because it's not the style she wishes to

adopt. "Suppliers want our success to be measured by having a

Without endangering future orders, she wants to get everyone

their like with writs, dragging them into court and hitting them

officer" whose job it is to ensure the code is being obeyed and to liaise with Tacon and her team. "The Groceries Code is law, and they have no choice. I hold

Each of the 10 largest grocers has to have a "code compliance

quarterly meetings with each of them individually and six-monthly meetings with all 10 together." A lot of her job, as well, is touring the country, telling farmers

She gives it to the industry straight, she says, setting out her "top five" issues. These are "drop and drive" — a haulier reverses into a depot,

the driver is not allowed near the rear of the vehicle, they do not see what is being loaded and do not sign for it; the retailer then tells the supplier what they took, then the supplier is asked to

"I've got three months' evidence of this occurring. I presented it in a slide show to the code-compliance officers. I gave them the opportunity to put it right or I would act."

When I splutter that surely this is clear fraud and a definite

"I could, and they know that, but the objective is to have a

better supply chain. A proper investigation that would stand up in court would take nine months. They have clever lawyers whose job it would be to slow progress." Also in her top five is "forensic auditing" - employing teams of

auditors to go back many years through invoices, looking for

any evidence of a supplier being overpaid.

breach of the code, so why not prosecute, she shakes her head.

She has got the retailers to agree they will not go back more than one year, which is "a huge relief for suppliers. It causes them a huge amount of work".

"Forecasting" is another. This is when the retailer demands compensation because its forecast sales did not materialise. Or it can be when the supermarket suddenly varies an order and the producer cannot match it — again, the result of weak forecasting.

financial year when the retailer literally demands payment from a supplier. This can be for a variety of reasons: "It could be as simple as 'we've not hit our targets. Your share of the shortfall is X'."

Finally in her top five is "packaging" — a supplier is charged for

"Take apples," she says. "A farmer could be told: 'You must buy

certainly much more than if they were able to choose their own

"Lump sum payments" occur usually towards the end of the

your packaging from our source and pay for all the design and the artwork'." They then find they're paying far more than the market rate and

packaging. "We've made a big fuss about this, and now suppliers are allowed to buy their packaging from wherever they want."

A customer brings back a bag of apples that were bad. The supermarket will give the shopper another bag, and then trace the batch that was off and charge the farmer £45, say, for their trouble.

A new entrant in her next top five, she says, will be "customer

"That can't be allowed to happen. They must show me the justification for the charges they're imposing on customer complaints. If they're charging £45, they must show me how they get to £45."

She insists she is getting there. "Some suppliers still see

requests from retailers as part of the cut and thrust of doing business. But it's bullying. More suppliers are standing up to

them and are saying this is not acceptable. More of them are challenging the requests — they're becoming emboldened." We're out of time. She must go: there's another group of producers who need educating.

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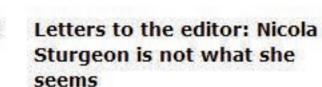
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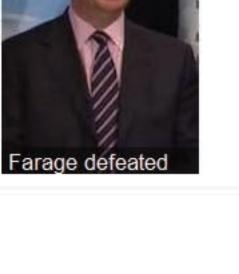
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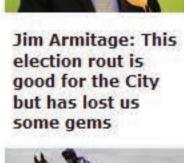
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