

Tesco at heart of most complaints to watchdog from food suppliers

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MORE FOOD and drink suppliers feel empowered to complain about mistreatment at the hands of major retailers as Tesco emerged as the supermarket at the centre of more reports than any other in the last year, according to a new survey.

Despite the increased confidence in reporting contractual complaints to the Groceries Code Adjudicator's office, almost one in five suppliers to the UK's 10 biggest retailers said they remained reluctant to raise any issues, mainly because they fear retribution.

The survey of 1,000 suppliers showed reasons included not being confident that a complaint would remain confidential or a lack of confidence that anything would be done.

The independent adjudicator Christine Tacon released the findings at the second annual conference of the organisation, set up by the Government in June 2013 to oversee the relationship between supermarkets and suppliers.

The adjudicator has since launched just one formal investigation, against Tesco, with the outcome expected within the next few months, and it has arbitrated in two other cases.

Seventy per cent of the suppliers who took part in the poll reported Grocery Code issues in their dealings with the 10 biggest retailers in the past year – down by nine per cent in a year.

But the proportion of suppliers who said they would consider

raising an issue with the adjudicator increased by nine per cent to 47 per cent.

Among the complaints to the adjudicator were issues over delayed payments, unjustified charges for consumer complaints and obligations to contribute to marketing costs.

Ms Tacon admitted that complaints about overcharging suppliers for packaging and design of products was one of the main issues which she was dealing with.

She added that she had “closed down” concerns that suppliers were being overcharged by retailers for handling consumer complaints about products they supplied – with some being charged up to £45.

Ms Tacon said: “In some retailers, up to 97 per cent of complaints are resolved in-store, which is a cheaper way of handling matters.

“Of those retailers applying charges, some only do so in a small proportion of cases, but all retailers charge for serious failings such as product safety issues.”

The survey results published yesterday showed that Tesco was the most complained about retailer, accounting for 54 per cent of issues raised with the adjudicator in the last year.

This compared with Morrisons (26 per cent), Asda (15), the Co-op (14), Sainsbury's (13), Iceland (five), Marks & Spencer, Waitrose and Lidl (one each), and none concerning Aldi.

“We still have some way to go in important areas, but this is a clear sign we are on the right track,” Ms Tacon said.

She added that it was “disturbing” that only nine per cent of small suppliers and 29 per cent of total suppliers had received any training in the industry's code of practice.

“Retail buyers are well trained in the code, so for a supplier to challenge a request or requirement they need to know their rights,” she said.

The National Farmers' Union is keen for the Groceries Code to be extended to the entire food and drink supply chain, as it only covers retailers with a turnover of £1bn or more per year and their direct suppliers – a rule which excludes many farmers.

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The number of suppliers out of 1,000 surveyed who reported a retailer to the Grocery Code Adjudicator in the last year