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Grocer

Retailers to be given 'self-policing' GSCOP role as Adjudicator steps down

By Ian Quinn | 24 June 2019



Tacon said there was no longer any evidence that she needed to carry out ongoing probes into retailers' behaviour

The role of the Groceries Code Adjudicator is facing a major overhaul under plans that will give retailers more of a "self-policing" responsibility for the way they treat suppliers.

Adjudicator Christine Tacon, who confirmed she is to step down next year after seven years in the role, announced that before her term expired next June she hoped to have embedded an internal governance system within all the 12 supermarkets and other retailers currently under GSCOP.

However, Tacon said that because of the huge improvement across the board in retailer behaviour since she took up the role seven years ago, there was no longer any evidence that she needed to carry out ongoing probes into their behaviour. She has previously investigated areas such as delays in payment and forecasting.

Instead, under a move she admitted was a shift towards a more "self-regulatory" system, Tacon said she would work with retailers to ensure they had government structures, legal and audit functions and training of buyers. This would mean much of the day-to-day work of the Adjudicator would no longer be needed, she said.

Although it is believed the government will replace Tacon with a new Adjudicator, the changes could make it a far lower-profile role, less involved in everyday policing of retailers. This is despite calls from MPs and some suppliers for moves to give the GCA more teeth and new responsibilities.

Tacon said she would use her findings from the recent investigation into the Co-op as the basis for a creating a new way of governance for retailers. In March, the retailer was found guilty of breaches of the code, including not giving enough notice to suppliers about delistings, and was forced to agree to bring in a new governance system.

This now looks set to become a model for others, with other work by retailers such as Tesco on GSCOP governance also likely to be used in designing the new light-touch system.

'Whole-organisation approach to compliance'

"However they are set up I want to see the retailers build for themselves a whole-organisation approach to code compliance," said Tacon.

"This puts their compliance management thinking into their overall governance structures, their legal and audit functions as well as their internal systems and processes, into their training and their communication with suppliers.

"This is the best way to make sure that breaches of the code don't happen and if they do, that they are quickly picked up and put right. It means retailers doing the right thing not only because that is what is required of them, but because it makes good business sense."

Tacon told The Grocer she recognised there would be concerns from suppliers about the changes facing the GCA, but said she was determined to build a new system that would prevent a return to

the behaviour that has seen retailers including Tesco, Asda and the Co-op hauled before the GCA in the past.

"I'm at the point where I've had seven years in the role now and apart from the fact that I am hoping to do other things there just simply isn't the evidence that I any longer need to be monitoring the list of top issues that I have done in the past," she said.

"If you speak to suppliers they will always say don't take the policeman away.

"But I want to leave having made sure we have governance systems embedded in retailers which ensure that these things don't happen again."

Tacon also took a major swipe at MPs on the BEIS committee who last month criticised her alleged inflexibility and lack of enthusiasm for expanding the role of the GCA to tackle areas such as payment times and protecting non-director suppliers. She suggested the criticism from MPs and constant demands to expand the remit could make it hard to find a successor.

Christine Tacon could face plenty of flak in the BEIS review of the GCA

"I think it might put people off the job," Tacon told The Grocer, adding that she had been left angry at the MPs' comments.

"I walked out of the committee feeling very low and wondering why I bothered to do the job," she said,

"But then I realised I don't do the job for you, I do it for the hundreds of suppliers that I have helped in those past seven years."

Last week BEIS announced a new statutory review of the Adjudicator's role, which will look at whether Tacon has been effective in protecting suppliers.

Today also saw the latest results of the annual YouGov survey into suppliers' views on retailer behaviour under GSCOP, with Aldi topping the league for best behaviour for the sixth consecutive year.

Tesco slipped one place to fourth, behind Waitrose, which The Grocer understands comes following a number of complaints from suppliers about its Booker operations.

However, Tacon said the survey had shown continuing improvement in retailer behaviour.