



Brand Briefing

25th February 2013

GROCERIES CODE ADJUDICATOR BILL

Briefing for Parliamentarians, Third Reading and Report Stage, 26th February 2013

The British Brands Group, which represents suppliers of branded products, fully supports the Groceries Code Adjudicator (GCA) Bill. This implements the final piece of the Competition Commission (CC)'s remedy to stop large grocery retailers transferring excessive risk and unexpected cost to suppliers, a practice found to act against the interests of consumers. The Group calls for the Bill to be passed and the GCA's powers to become active without delay.

This briefing supplements our [Brand Briefing](#) at Second Reading which addressed why an Adjudicator is needed, its benefits, the consumer interest, its cost and fines.

The Competition Commission's (CC) remedy

We consider the Bill as currently drafted to be a fair interpretation of the CC's recommendations to address the adverse finding it made. It is a light touch approach that addresses the problems found, protects the anonymity of complainants appropriately and gives sufficient powers to the Adjudicator to monitor and enforce the Groceries Supply Code of Practice (GSCOP) effectively.

Why the GSCOP and GCA should apply to all direct suppliers, whatever their size

It would not be appropriate to exclude large suppliers from the GCA role as this would be discriminatory and would weaken the remedy significantly, damaging the interests of consumers:

- large suppliers are better able to bring widespread potential breaches of the GSCOP to the GCA's attention than small suppliers;
- the GCA's role will be much harder if evidence from large suppliers cannot be considered;
- unfair trading practices imposed on large suppliers impact on a greater number of consumers.

The CC found it impractical to draw a line between large and small suppliers and recommended:

"the GSCOP Ombudsman would prioritize the resources of its office to focus on those disputes and complaints concerning suppliers without market power over and above those concerning suppliers of major branded products that have market power". Para 48, Final Report

We fully support this approach.

For more information on this Brand Briefing, please contact:

John Noble

01730 821212

jn@britishbrandsgroup.org.uk