

## **APPOINTMENT OF THE GROCERIES CODE ADJUDICATOR – THE RSA VIEW**

The Rural Shops Alliance has broadly welcomed the Government's recent announcement that they will bring in an ombudsman – to be called the Groceries Code Adjudicator (GCA) - to help police the current Groceries Supply Code Of Practice (GSCOP). This code is intended to ensure a fair relationship between supermarkets and their suppliers.

We are under no illusions on how difficult it will be to make the system work effectively. Already various pundits are pointing out the potential pitfalls and they may well be proved right. However, the government has at least recognised that there is a real need to ensure that large retailers treat their suppliers fairly.

The GCA will be able to receive complaints and conduct investigations where they consider it necessary to do so. They will also be able to monitor emerging new practices, recommend changes to the GSCOP and even to issue warnings at certain times of the year when abuse is more likely to occur. They will be able to receive anonymous complaints from anyone in the supply chain at home or overseas. This includes farmers who may not directly supply the large supermarkets, although not trade associations - complaints must come directly from the business affected.

The government has decided to rely on the threat of “naming and shaming” to deter unacceptable retailer behaviour, although they will seek the power to introduce fines into the system should this be needed in the future.

The power of the Adjudicator will therefore depend on how much he is prepared to be proactive and work to ensure that abuses do not occur in the first place. Trying to deal fairly with anonymous complaints is likely to make evidence gathering very difficult, whilst it is hard to see “naming and shaming” causing the directors of the big chains many sleepless nights. The RSA had argued for real sanctions from day one.

It is important that this new office is set up as quickly as is practical. The impact the GCA achieves will depend crucially on the calibre of the individual appointed to this post. We will be expecting a heavyweight with experience of the industry, somebody able to make a real difference from day one.

Overall we hope this will be a step forward, one that ensures that rural shops are trading in a slightly fairer marketplace. But the hard part is still to come, for the GCA to make his role have a real impact in the real world.