



Groceries Code Adjudicator

GCA investigation into Tesco plc – progress towards following GCA recommendations

September 2016

Requirements of Tesco to enable me to monitor its compliance with my recommendations (paragraph 61.1 of the investigation report)	GCA view as of 7 September 2016
<p>I required Tesco to provide a detailed implementation plan within four weeks of publication of the investigation report setting out how it would comply with my recommendations. I required a response from Tesco to the recommendations on a quarterly basis, specifically to include:</p> <ul style="list-style-type: none"> • An analysis of reasons for invoice errors and evidence that systems were being improved to reduce errors caused by Tesco; • Value of invoices in dispute; • Number of invoices in dispute; and • Average length of time of invoices in dispute, by value and number. <p>I also required sample documentation from Tesco to illustrate how it was providing suppliers with greater transparency and clarity.</p>	<p>I consider that Tesco has met this requirement.</p> <p>In order to continue monitoring compliance with my recommendations, I require information to continue to be provided to me.</p>
Recommendations	
<p>Recommendation 1: Money owed to suppliers for goods supplied must be paid in accordance with the terms for payment agreed between Tesco and the supplier.</p>	<p>While noting the progress still to be made, in particular on the new terms and conditions being agreed with suppliers, I consider that Tesco has an appropriate approach to follow this recommendation.</p> <p>I will monitor compliance through the provision of information by Tesco, including on the rate of acceptance of the new terms and conditions.</p>
<p>Recommendation 2: Tesco must not make unilateral deductions.</p>	<p>I consider that Tesco has put in place appropriate systems to follow this recommendation.</p> <p>I will monitor compliance through the GCA annual survey and supplier feedback direct to my office. Tesco's Annual Compliance Report, required by the Order, should highlight where complaints about unilateral deductions have been escalated and I expect to be kept informed of any issues that emerge.</p>
<p>Recommendation 3: Data input errors identified by suppliers must be resolved promptly.</p>	<p>I consider that Tesco has put in place an appropriate system to follow this recommendation.</p> <p>I will continue to require Tesco to provide me with information to enable me to monitor progress against the recommendation.</p>
<p>Recommendation 4: Tesco must provide transparency and clarity in dealing with suppliers.</p>	<p>I am content that Tesco has taken steps to provide transparency and clarity in its dealings with suppliers.</p> <p>I will monitor this recommendation through the GCA annual survey, supplier feedback to my office and from Tesco's own survey of suppliers.</p>
<p>Recommendation 5: Tesco finance teams and buyers must be trained in the findings from the investigation.</p>	<p>I consider that Tesco has met this requirement.</p>

