

Frequently asked questions on the Orders and Recommendations made after the Groceries Market Investigation

When will the Groceries Supply Code of Practice (GSCOP) come into force?

The GSCOP Order and Code, came into force on February 4 2010 and replaced the former Supermarkets Code of Practice (SCOP).

How can I find out more about GSCOP?

The GSCOP is a strengthened and extended version of the previous Supermarkets Code of Practice, and it must be incorporated in every contract between large grocery retailers and their suppliers. All retailers with UK groceries turnover in excess of £1 billion per year are included within its scope. The GSCOP Order can be found [here](#), along with the related [press release](#).

The Office of Fair Trading is responsible for monitoring compliance with the Order by ensuring, for example, that the GSCOP is incorporated in supply agreements and that retailers have dispute resolution procedures in place. Enquiries should be directed to the OFT *Enquiries and Reporting Centre* by email to enquiries@oft.gsi.gov.uk. They can also be contacted by telephone on 08457 22 44 99. In this case you should wait for the third option which deals with Enterprise Act and Competition Act queries.

The OFT is not presently responsible for the arbitration of disputes arising under the Code, but will ensure that retailers comply with the provisions of the GSCOP Order requiring retailers to submit to arbitration of disputes if this is requested by a supplier, and to pay the costs of the arbitration (unless the supplier's claim is vexatious or wholly without merit).

Is there a body responsible for arbitrating on disputes resulting from GSCOP?

Pending the establishment of an ombudsman, in cases where arbitration is necessary to resolve a dispute, the Order provides for arbitration by an independent arbitrator. Following the Competition Commission's formal [recommendation](#) to establish an Ombudsman to arbitrate on disputes between grocery retailers and suppliers and investigate complaints under GSCOP, the Department for Business, Innovation and Skills (BIS) [announced](#) in January that it had accepted the recommendation and launched a consultation on the establishment of such a body, which ended on April 30 2010. The new government's coalition agreement has confirmed its [intention](#) to introduce the Ombudsman.

The Government has published the response to its [consultation](#) to take forward the establishment of a body to monitor and enforce the Groceries Supply Code of Practice (GSCOP). The Department for Business will bring forward new legislation in order to set up the Groceries Code Adjudicator (GCA), which will reside within the Office of Fair Trading (OFT).

When will the Competition Test come into force?

The CC also formally recommended to the Department of Communities and Local Government - and the devolved administrations in Scotland, Wales and Northern Ireland - that they take the necessary steps to introduce a [competition test](#) in planning decisions on larger grocery stores. The Government has yet to respond formally to the recommendation. The new government's [coalition agreement](#) includes a commitment to change planning policy so as to enable councils to take competition issues into account when drawing up their local plans.

How can I find out more about the Competition Test?

The competition test would prevent retailers with a very strong presence in a local area from building new supermarkets or making large extensions to existing stores, in order to encourage rival retailers to build developments in the area instead which will increase competition in the area. The formal Competition Test recommendation and assessment can be found [here](#).

When will the Controlled Land Order come into force?

The CC published the final [Controlled Land Order](#) in August 2010. It is immediately effective although retailers will be given time to comply with some of its requirements. The order requires some land restrictions to be lifted within a set time of the order being published. It also contains provisions allowing third parties to apply to the OFT for certain restrictive covenants and exclusivity arrangements that restrict grocery competition, if they are in highly-concentrated areas, to be set aside. These provisions will be implemented on a separate date, as they will require the OFT to have chosen and installed the relevant software for calculating drive-times.”

How can I find out more about the effects of the Controlled Land Order?

The Controlled Land Order is primarily aimed at preventing the use of exclusivity arrangements – and restrictive covenants - to restrict entry by competing grocery retailers into local areas where one retailer has a very high proportion of existing groceries sales floorspace.

This document will be updated and supplemented with further information when appropriate.