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Competition Commission
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By email and hand

28 May 2009

Market investigation (Remedies Phase): Consultation on the introduction of an Ombudsman to oversee the Groceries Supply Code of Practice

Thank you for your e-mail of 27 April enclosing the draft Ombudsman undertakings. In our previous correspondence we expressed a number of concerns in relation to the creation and operation of the Ombudsman office.

In particular, I am concerned that the Ombudsman and its staff will be going into bat for suppliers, many of whom are large multi-national companies with substantial buying power, rather than protecting the interests of consumers. These suppliers are already expected to benefit greatly from the imposition of the new Code, and in particular from the requirement that retailers should cover the costs of a supplier complaining and invoking arbitration, even when the complaint is not upheld.

At the same time we were also keen to understand what benefits the Ombudsman's office would bring over and above the current OFT process. We are particularly concerned about whether consumers would gain from the creation and running of the office. Our focus must continue to be on safeguarding the interests of our customers, particularly in the current economic climate.

Unfortunately we have not received adequate assurance on these issues and therefore at this stage must decline to sign up to the voluntary undertakings for the creation of an Ombudsman office.

Lucy Neville-Rolfe, CMG
Executive Director
(Corporate and Legal Affairs)