

Home Bargains now bound by rules on treating suppliers fairly

TJ Morris' annual groceries turnover now exceeds £1 billion and the Competition and Markets Authority (CMA) has decided that it is appropriate that the company is designated.

The Groceries Supply Code of Practice (The Code) sets out how such grocery retailers should treat their suppliers and aims to make sure that they do not abuse their commercial power. For example, retailers bound by the Code cannot make changes to the terms of supply retrospectively and must provide notice of and reasons for no longer using a supplier.

Compliance with the Code is managed by the independent Groceries Code Adjudicator. The CMA regularly monitors UK retailers to see if they meet the criteria to be subject to the Code, as it only applies to those companies with an annual groceries' turnover of more than £1 billion.

The Code was created in 2009 following an investigation by the CMA's predecessor, the Competition Commission (CC). The CC investigated the supply of groceries in the UK and found that some suppliers of larger retailers were being treated unfairly. This meant suppliers were less likely to innovate and invest, leading to less choice and availability for customers.

Other retailers subject to the Code are Ocado, Asda Stores Limited, Co-operative Group Limited, Marks & Spencer PLC, Wm Morrison Supermarkets PLC, J Sainsbury PLC, Tesco PLC, Waitrose Limited, Aldi Stores Limited, Iceland Foods Limited, Lidl UK GmbH and B&M Retail Limited.