



Press Distribution Review Panel

Annual Report 1/11/12 – 31/10/13

Governance

The Press Distribution Review Panel (PDRP) was established to:

- a. Encourage compliance with the Press Distribution Charter.
- b. Provide comment on compliance issues.
- c. Ensure continuity of arbitration decisions.
- d. Provide an ongoing mechanism for the identification of trends.
- e. Collect, audit and publish data on compliance

The Press Distribution Charter (PDC) and its complaints resolution process has been developed by wholesalers, distributors and publishers. It sets out the minimum service standards that a retailer can expect from the supply chain and what remedies can be used when those standards are not met.

During the course of the year, under report, the second edition of the PDC came into effect. It is the result of a consultation process under an independent Chairman who listened to the views of retailers.

A copy of the PDC can be obtained from wholesalers, the Press Distribution Forum web site www.pressdistributionforum.com or by contacting the PDF Administrator on 0843 289 3967.

The Charter is backed by a free, fair, fast and reliable complaints process, which covers most non-commercial aspects of newspaper and magazine distribution. If a retailer has a complaint about a serious or persistent failure to achieve a PDC standard, there are a number of options that can be used to start the complaints process.

The complaints process is structured under a streamline three stage process that puts greater emphasis on resolving issues locally yet provides a final independent arbitration.

The PDC provides a simple, 3-step process that enables a retailer to raise any issue on the standards and get it resolved efficiently, as follows:

- Stage 1 – Resolve the issue informally by discussion with the wholesaler.
- Stage 2 – If Step 1 is unsuccessful, request a Fast Track Resolution Form from the wholesaler concerned, the PDF website or the PDF Administrator. Complete the form and return it as directed.
- Stage 3 – If unsatisfied with the outcome of Stage 2, or you think Stage 2 has not been completed by the wholesaler within a reasonable time, the PDF Administrator can be requested to refer the complaint to an independent Arbitrator for final adjudication.

This report represents the result of the PDRP's monitoring of the PDC and its complaints process and provides transparency of performance against key measures of delivery and customer service.

Membership of the Press Distribution Review Panel

The PDRP members for the year under review were:

Neil Robinson	Independent Chairman
Barry Allsop	NPA
Rajiv Chotai	Independent Retailer
Debbie Dalson	Smiths News
Raj Ganatra	Independent Retailer
Carrie Rooks	PPA
Richard Sage	Independent Retailer
Dave Shedden	Menzies Distribution
Mark Williams	Independent Retailer
Dorothy King	PDRP Administrator

Meetings were held on 29th November 2012, 21st February 2013, 30th May 2013 and 26th September 2013. The minutes of these meetings can be found on the Press Distribution Forum web site.

Statistics

During the twelve month period 1st November 2012 and 31st October 2013 a total of 117 PDC Stage 2 complaint forms were submitted generating a total of 181 breaches of PDC standards.

The complaints originated from 36 wholesale houses and 2 newspaper publishers.

During this period 8 complaints were escalated to Stage 3.

During the period under review there were in excess of 109 complaints that were resolved via the PDF helpline.

In the corresponding period for the previous year there were a total of 111 PDC Stage 2 complaint forms submitted, generating a total of 170 breaches of PDC standards.

The complaints originated from 24 wholesale houses and 3 newspaper publishers.

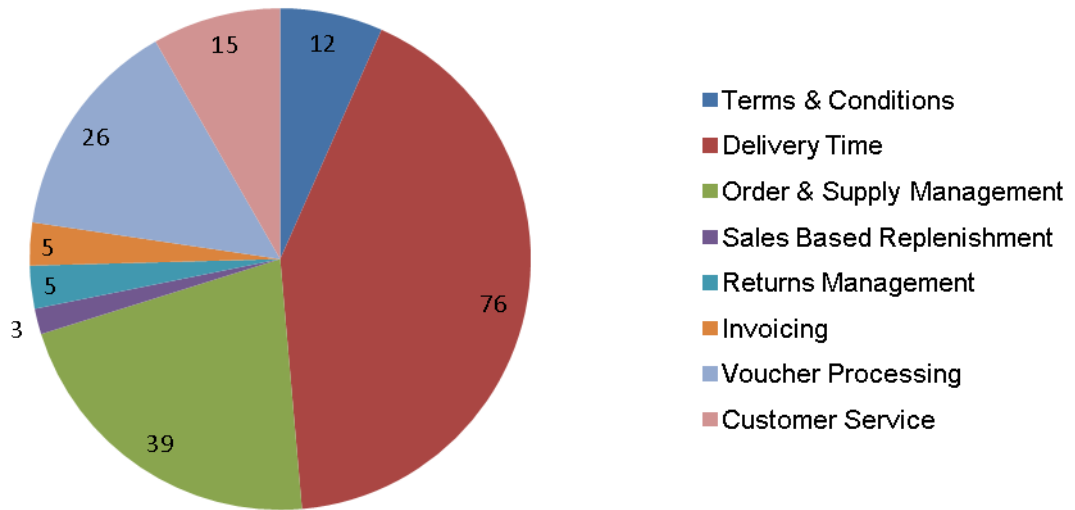
During this period 9 complaints were escalated to Stage 3 and 43 complaints were resolved via the PDF helpline.

Complaints by Standard

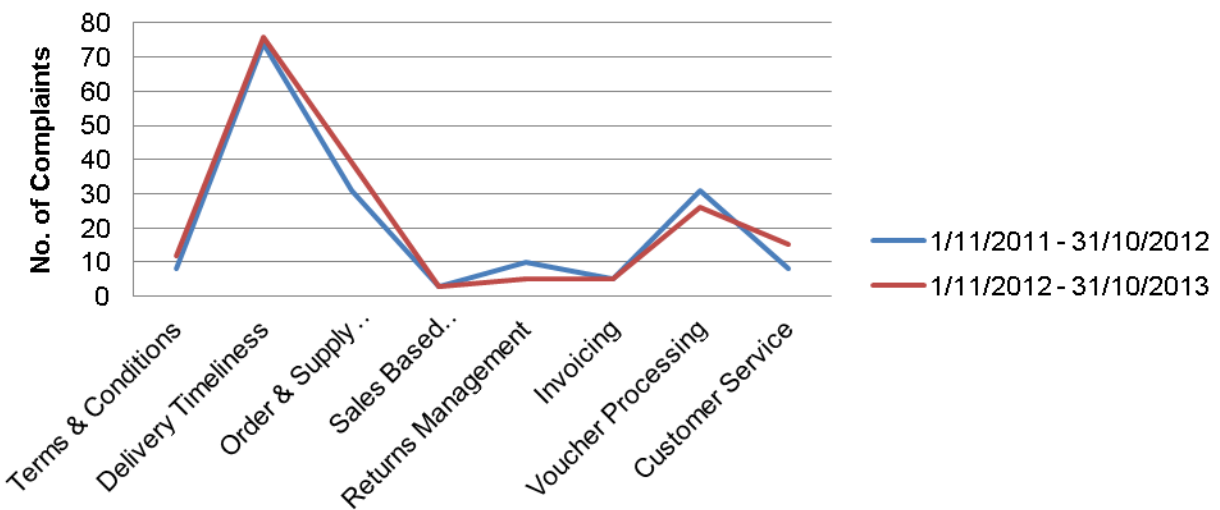
Of the 181 breaches that were reported 12 related to Terms & Conditions, 76 Delivery - Timeliness, 39 Order and Supply Management, 3 Sales Based Replenishment, 5 Returns Management, 5 Invoicing, 26 Voucher Processing and 15 Customer Service.

In the previous year of the 170 breaches that were reported 8 related to Terms & Conditions, 74 Delivery - Timeliness, 31 Order and Supply Management, 3 Sales Based Replenishment, 10 Returns Management, 5 Invoicing, 31 Voucher Processing and 8 Customer Service.

Complaints by Standard 2012 - 2013



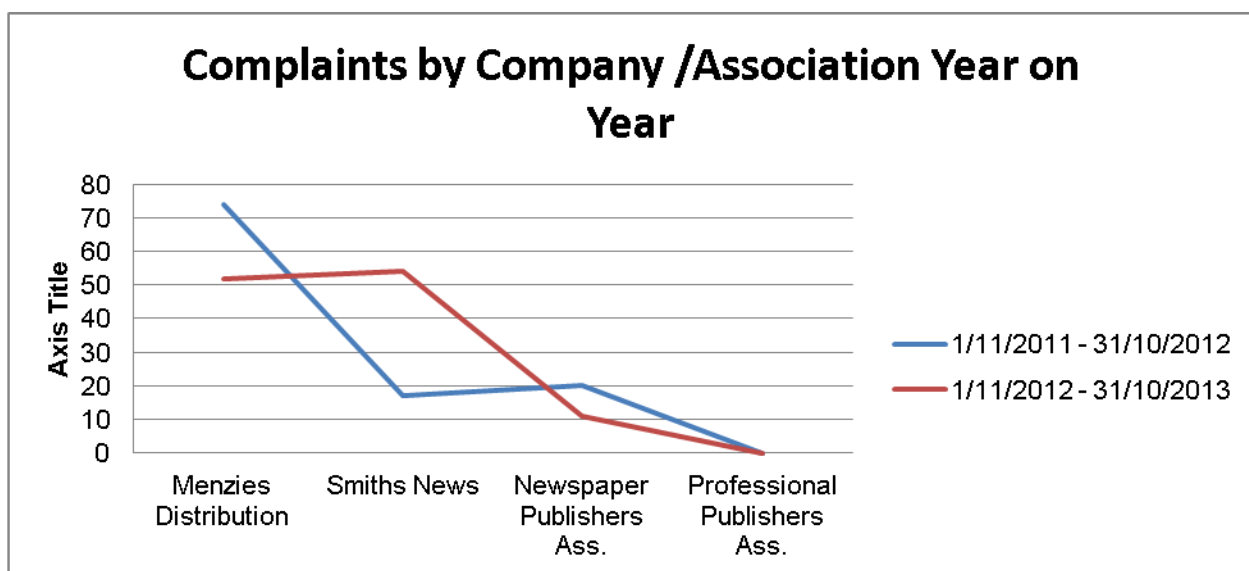
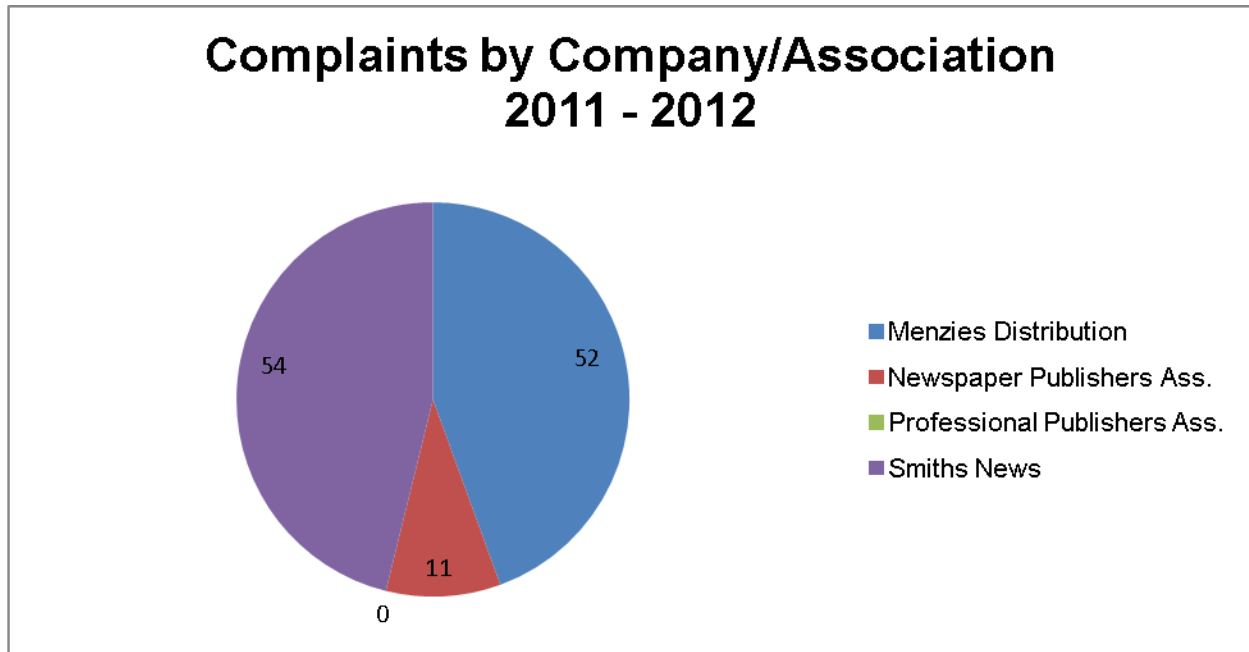
Complaints by Charter Sections Year on Year



Complaints by Wholesaler

Menzies Distribution dealt with 52 Stage 2 complaints, the NPA 11 and Smiths News 54. There were no complaints regarding magazines made to the PPA.

Last year Menzies Distribution dealt with 74 Stage 2 complaints, the NPA 20 and Smiths News 17. There were no complaints regarding magazines made to the PPA.



Type of Complaint by Branch

Menzies Distribution

Area	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
Ipswich		1					2	
Linwood		3					1	
Maidstone		4	2				1	
Newbridge		3						
Norwich		1					1	
Portsmouth		1					1	
Preston		6	1				2	
SE London		2	1				2	
Sheffield		18	9	3	2		13	
Swansea		1	1					
York	2	1	2		1	1	2	
TOTAL	2	41	16	3	3	1	25	0

Smiths News

Area	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
Barnstaple		1						
Birmingham		3	1					2
Borehamwood			1		1	1		2
Bournemouth		1	1					1
Brislington		1						1
Bristol		6	1			1		1
Bristol North		1	2					
Exeter		3	4					
Hornsey			1			1		1
Milton Keynes								1
Newmarket			1					1
Northampton		1						
Oxford		1						
Peterborough			1					
Plymouth		1						

Reading		3	1					
Redruth		2						1
Slough		2	4		1		1	1
Southampton		2	1					1
Stevenage		1						
Stockport		1	2					1
Stoke		1						
Taunton		1	1			1		
Wednesbury		1						
Wimbledon		1	1					1
TOTAL	0	34	23	0	2	4	1	15

NPA

Area	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
Ass. News		1						
NI	10							
TOTAL	10	1	0	0	0	0	0	0

Types of Complaint by Branch 1/11/2011 - 31/10/2012

Menzies Distribution

Branch	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
Chester		2						
Ipswich	1	6					1	
Linwood		1					1	
Maidstone	1	8	7		2	1	8	
Newbridge		1	1	1			1	
Portsmouth		1	1					
Preston		2	3				2	
Ryde			1				1	
Sheffield	1	23	12	2	2	2	12	4
Swansea	1	3						1
York		4	1				3	1
TOTAL	4	51	26	3	4	3	29	6

Smiths News

Branch	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
Birmingham		1					1	
Borehamwood					2			1
Brislington		1						
Bristol North			1					
Croydon					1			
Hammersmith					1	1		
Hornsey		1						
Newport		1				1		
Plymouth	1	1	1					
Shrewsbury			1					
Slough			1					1
Stoke on Trent		1						
Wednesbury			1					
TOTAL	1	6	5	0	4	2	1	2

NPA

Branch	Terms & Cond.	Delivery Time	Order & Supply	SBR	Returns Manag.	Invoice	Voucher Process.	Cust. Serv.
MGN		7						
NI		7			2		1	
Telegraph	3	3						
TOTAL	3	17	0	0	2	0	1	0

Timeliness of Stage 2 Process

The Press Distribution Charter provides that Stage 2 complaints should normally be completed within 14 days but no longer than a maximum of 28 days. The table below records the number of complaints that failed to be completed within 28 days of commencement and the average time for completion in the period 1/11/2012 – 31/10/2013.

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
Menzies Distribution	52	6	12.5
Smith News	54	4	14.5
NPA	11	0	6.8

The figures for the previous year were as follows:

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
Menzies Distribution	74	6	11.8
NPA	20	1	12.6
Smiths News	17	0	9.4

All Stage 2 Complaints were ultimately resolved satisfactorily. The Chairman of the PDRP has communicated with those parties concerned regarding timeliness of the process.

During the period under review there were 8 referrals to the Independent Arbitrator who is required to deliver adjudication within 14 days. The average time taken for the adjudications was 17.57 days. Five Stage 3 arbitrations took over 14 days, however in all cases the Independent Arbitrator called for further and better particulars, thereby delaying the process.

Trends

It is important to note that Smiths News has centralised its complaints process this year. This has vastly improved the methodology of how complaint data is being supplied within the organisation, and brought about greater transparency. By having complaints registered centrally the administration is prompted to liaise with the distribution house for a response and there is an ongoing monitoring of each complaint, thereby ensuring that the complaints are being processed within the permitted time limit of 28 days.

As a result of the changes there has been a significant increase in the number of complaints recorded against Smiths News. Thirty six houses had complaints raised against them during the year under review compared to 24 in the previous year. The changes to the Smiths News complaints process bring its process broadly in line with that of Menzies Distribution and were welcomed by the Press Distribution Review Panel.

The statistics also appear to show Menzies Distribution's Sheffield branch as the poorest performing depot in the country. The PDRP recognises that, in managing the integration of MD's Leeds and Sheffield operation, Sheffield received a higher-than-average number of complaints. The volume of complaints steadily reduced each quarter

and, with a sustained focus on service improvement at the branch, the PDRP expected to see a continuation of that declining trend. Ultimately, as a result of hard work and relationship-building by the local branch team, complaints in Sheffield reduced significantly in volume.

With the exception of the above, the statistics for the period 1/11/2012 - 31/10/2013 show a very similar pattern to the previous year. The number of complaints is up slightly from 111 to 117 and the number of failures to meet PDC standards showed a similar increase from 170 to 181.

The number of complaints by standard are consistent with previous years. Although Voucher Processing showed a reduction from 31 to 26 and Customer Service showed an increase from 8 to 15. The PDRP congratulates Menzies Distribution on having no Stage 2 complaints against it in relation to Customer Service.

The PDRP was pleased to note that the timeliness of complaint handling remained at an acceptable level and it urges all parties in the process to make every effort to eradicate all Stage 2 complaints taking longer than 28 days to complete. No retailer should have to wait longer than 28 days to get a definitive answer to a complaint.

During the course of the year the PDRP has been made aware of particular problems in relation to deliver quality. Water seems to be entering Tote Boxes and not being properly cleared before packing thereby resulting in wet newspapers and magazines. The matter has been raised with wholesalers and remedial action has been taken.

Issues

Issuing of PDC Stage 2 Complaint Forms

One of the key requirements for any self-regulatory process is transparency and the PDRP strives to provide the same across all aspects of its work. Last year's Annual Report made reference to the fact that the PDRP had come to the conclusion that it would be more efficient and transparent for retailers to apply for a PDC Stage 2 Complaint Form from the PDRP Administrator rather than from the wholesaler or publisher whom they wish to make the complaint against. The reasons being:

- a) To maintain a more accurate record of PDC complaints.
- b) To monitor the progress and timeliness of the complaint.
- c) To impartially identify the root of the complaint, especially in relation to origin i.e. publisher or wholesaler.

The PDRP had communicated its position to the Press Distribution Forum (PDF) at the time of the last report and was awaiting a response.

The PDF has now considered the matter and concluded that the existing complaints process should be retained. The members and their constituents gave undertakings to ensure that complaint data is provided by their companies in an accurate and timely manner. The PDF Board also referred the PDRP to the policy review by Menzies Distribution whereby the handling of Stage 2 Fast Track Resolution Forms had been centralised and that this had been successful.

The PDRP noted the PDF's position with regret and committed itself to continual monitoring of the position. Retail representatives on the PDRP felt strongly that the process should be handled centrally in the interests of fairness and transparency. They maintained that Stage 2 Complaint Forms were being issued by wholesalers and publishers, completed and returned by the retailer in accordance with the process, yet failing to appear on the wholesaler's data report submitted to the PDRP Administrator.

Monitoring continued throughout the year and the PDRP recognised the improvements to the complaints process brought about by Menzies Distribution's decision to centralise complaint handling. As reported above, Smiths News has adopted a similar approach to that of Menzies Distribution and centralised complaints handling. There has been a further improvement in the process and the PDRP is more confident that the dispute resolution process is improving transparency. Nevertheless, instances of process failures are still being reported.

It is imperative that there is full transparency in the dispute resolution process and its monitoring. This is not achievable without the full co-operation of all the industry companies and associations.

Collection of Data from Wholesalers and Publishers

The timeliness of monthly data supply to the PDRP Administrator has improved considerably but despite having three weeks to submit monthly data, occasionally some parties have missed the deadline.

Unfortunately, the accuracy of the data is still questionable. The issue seems to be one of simple recording and thus the centralising of the wholesaler's complaints processes has helped. However, mistakes are still occurring. The PDRP monitors service levels by measuring the complaints made and, accordingly, it is critical for wholesalers and publishers to positively and transparently handle such complaints through the due process and for proper capture and recording of those complaints.

Collection of PDC Stage 1 Data

During the course of the year the PDRP considered whether the capture of data on Stage 1 complaints was possible and Menzies Distribution and Smiths News were asked to assess the possibilities of carrying out the exercise. Both companies reported back with similar findings; that it was a huge administrative task and very costly. In the circumstances, the PDRP reluctantly accepted that the collection of Stage 1 data was not practically feasible.

Short Deliveries

The PDRP had cause to consider the correlation between short supply of product to retailers and the weighing of Tote boxes by wholesalers. Retail representatives on the panel were alarmed that wholesalers determined packing accuracy by weighing the filled Tote box. They pointed to various issues that might influence the weight including water and waste. Wholesalers assured the panel that the boxes were systematically emptied before packing commenced and therefore no extraneous influences affected the weighing process. As a result of the deliberations, a meeting of the PDRP was held at Menzies Distribution's South East London depot and members were able to observe the packing process first hand.

The PDRP is scheduled to hold a meeting at Smiths News's Borehamwood depot in 2014.

Complaints Resolution Process

Part of the PDRP remit is to ensure the efficiency and fairness of the PDC complaints process. During the course of the year the process was examined at some length and one of the main issues identified was the relationship between Stage 2 and Stage 3 of the process. In too many cases the complainant, the retailer, was introducing new evidence into the proceedings and expecting it to be considered. The PDRP wishes to make it clear that at Stage 3 in the process, the Independent Arbitrator adjudicates on whether, based on the submissions and other evidence before him, the wholesaler arrived at a fair and just decision when determining the Fast Track Resolution claim at Stage 2. The arbitrator will not consider any events, acts or omissions that arise after the Stage 2 decision has been reached unless he requires further and better particulars, in which case he will make a formal request for the same.

The PDRP examined the process at Stage 2 and formed the opinion that there needed to be more standardisation of paperwork. The wholesale Fast Track Resolution Forms are customised and the panel considered that some confusion existed as to what part they played within the formal PDC process. To avoid confusion it was agreed that the form that initiated the PDC process would be known as a 'Customer Complaint Form'.

In some Stage 1 and Stage 2 cases a situation is reached where the wholesaler believes that, following discussions with the retailer, a resolution has been found, but the retailer does not share that belief. The retailer then raises a Stage 3 Complaint based on the fact that he does not believe that his complaint has been dealt with at all or he is unaware of resolution. To avoid such misunderstandings the PDRP requires that wholesalers formally communicate with the retailer in writing when they consider Stage 1 or Stage 2 has been concluded and clearly detail what they believe to be the outcome.

Neil Robinson

Chairman – Press Distribution Review Panel

25/12/2013