

Press Distribution Charter

Stage 3 - Independent Arbitration Decision

PDC Reference Number:

PDC/128765/311013

Date First Issued:

16/12/2013

Name of Arbitrator:

Neil Robinson

Date complaint sent to Arbitrator:

23/12/2013 (Further and Better Particulars Requested)

Independent Arbitration Decision

In the matter of the Arbitration Act 1996 and in the matter of a dispute between Mr Retailer and Menzies Distribution, James Nicholson Link, Clifton Moor, York, YO30 4WG. This complaint concerns alleged failure by Menzies Distribution to give credit for vouchers thereby causing loss of customers and corresponding sales.

Mr.Retailer claims that between November 2011 and December 2012 he experienced five instances where vouchers forwarded to Menzies Distribution were not credited to his account. This caused him cash flow problems which led to him stopping the voucher scheme. He claimed "compensation" from Menzies Distribution in the sum of £2,000 for loss of customers, telephone calls, correspondence, copying, postage, disruption and inconvenience.

Menzies Distribution rejects the claim for £2,000 'compensation' based on the following:

- a. The branch undertook work to analyse and improve its voucher processing system and informed Mr Retailer that they were confident in their ability to process any voucher returns he might make.
- b. Mr.Retailer himself made the decision to stop accepting vouchers from his customers.
- c. The local management team reviewed Mr.Retailer sales performance for signs of loss and discovered that no material change had occurred in his sales pattern.

Having considered all of the evidence in this case, I adjudicate as follows:

1. The alleged incidents of non credit for vouchers submitted mainly occur in 2012. The Press Distribution Charter's complaints resolution process caters for complaints that are made within three months of the alleged failure to meet a standard.
2. I am satisfied that on a number of occasions between 7/4/2012 and 5/1/2013 Menzies Distribution did fail to credit Mr. Retailer for vouchers that had been forwarded to them.
3. The Press Distribution Charter Standard 7.3 provides that "All valid vouchers returned will be credited within 14 days of return" and, accordingly Menzies Distribution did fail to meet a Charter standard.

4. Credit for the vouchers submitted was ultimately given with the possible exception of 7th April 2012. Menzies Distribution should contact Mr. Retailer with a view to establishing whether the credit was given or not. If credit was not given at the time, it should be applied now.
5. The purpose of the Press Distribution Charter's dispute resolution process is to resolve the problem and to try and ensure that the failure does not occur again.
6. Menzies Distribution did undertake a review of its voucher processing system at Clifton Moor and made improvements to it. It reported this to Mr. Retailer and assured him that they were confident in their ability to service voucher returns made by him. Mr. Retailer resumed the voucher scheme in August 2013.
7. I turn now to Mr. Retailer claim for "compensation of £2,000". The press Distribution Charter allows me to award 'restitution' not compensation. Restitution should restore to a retailer any loss directly resulting from a failure to achieve a standard that is determined to have taken place. The amount of restitution is limited to a proven amount that restores the retailer to the position he/she would have been in had the failure to meet the standard not taken place. Any restitution ordered should only be for losses arising in relation to sales of newspapers and magazines over the period covered by the complaint.
8. The bulk of Mr. Retailer's claim relates to the loss of customers and purchases they might have made on non newspaper and magazine purchases and this is not covered by the Charter. Furthermore, there does not seem to be any significant fall in newspaper and magazine sales.
9. I accept that Mr. Retailer was put to additional cost on telephone calls and postage etc. and although the exact amounts were not proven to me, I am prepared to make an award of £15.

Signature of Arbitrator: Neil Robinson (email)

Date: 17th January 2014

Seat of Arbitration: London, England.

Date form returned to PDC Administrator:

27/1/2014

Date Independent Arbitration Decision sent to Wholesaler & Retailer:

27/01/2014