

Press Distribution Charter

Stage 3 - Independent Arbitration Decision

PDC Reference Number:

PDC/241237/020320

Date First Issued:

02/03/2020

Name of Arbitrator:

Neil Robinson B. A. (Law), M.C.I.Arb.

Date complaint sent to Arbitrator:

29/04/2020

In the matter of the Arbitration Act 1996 and in the matter of a dispute between Mr. T. and Smiths News (SN), Javelin Park, Black Country New Road, Wednesbury, WS10 7ND. This complaint concerns alleged failure by Smiths News to credit all valid vouchers within 14 days of return as required by Press Distribution Charter (PDC) Standard 7.3.

By undated PDC Stage 2 Complaint Mr. T. alleges that he submitted a Voucher Envelope (10/02/2020), J154513, containing 524 vouchers and that he has only received credit for 402 vouchers. Mr. T. has submitted documentary details of the vouchers concerned. He maintains that due to the number of mistakes SN had been making on his account concerning vouchers he had been forced to put special checking systems into place. He further maintains that his voucher return history clearly demonstrates that his voucher returns are of a similar quantity each week thereby substantiating his claim.

By letter dated 07/03/2020 SN pointed out that Mr. T.'s Voucher Envelopes were on a VIP check at EAV Co-Ordinated Ltd., the 3rd party voucher handling agent, which meant that his envelopes were double checked by two operators, logged and then forwarded back to SN with the findings. In view of this SN dismissed the claim.

In subsequent correspondence with Mr. T., dated 16/04/2020, SN referred him to his weekly voucher return history over the previous four months which showed that on nine occasions out of 18 he had in fact put more vouchers into his envelope than he had entered on his returns, the voucher system pointing out his errors! Furthermore, that on Voucher Credit 9329773711 dated 04/04/2020 understated his vouchers by 94 and on Voucher Credit 9330067320 dated 11/04/2020 a further understatement of 36.

Having carefully considered the evidence before me I adjudicate as follows:

1. Standard 7.3 of the PDC provides that "All valid vouchers returned will be credited within 14 days of return." PDC Standard 5.3 provides that "The wholesaler will be responsible for the security of returns parcels after the collection from the retailer."
2. Vouchers are, in reality, a cash equivalent to the retailer, wholesaler and publisher.
3. There is a defined process for the auditing of vouchers. Each week the retailer receives a Voucher Recall Note from the wholesaler which identifies the most popular vouchers on the market. The retailer is required to count the vouchers and enter the quantities in the space provided by the recall note. The vouchers and the recall note are then placed in the recall envelope which has a unique reference number, which must be written on all the paperwork, and sealed securely. The envelope is then sent back to SN with the unsolds in a sealed tote box. The voucher envelope is scanned/logged before being sent off to the voucher clearing house where

every individual voucher is scanned. Ultimately the credit for the vouchers is itemised on the customers DPDN and the credit value is shown on the Weekly Summary Invoice that follows.

4. This process contains a number of areas that are susceptible to error, mismanagement and/or fraud which ultimately result in financial damage to the participants.

5. Having regard to (1) above I have to determine whether, on the balance of probabilities Mr. T. or a member of his staff placed 524 vouchers in his voucher envelope or 402.

6. Mr. T. asks me to find in his favour on the basis of his statement that 524 vouchers were put in the envelope and the fact that his vouchers returned per title are of a similar quantity each week.

7. SN rely on the fact that Mr. T.'s vouchers were double checked as 402 at the voucher clearing house and Mr. T.'s history of accuracy in recording his voucher returns was/is poor.

8. The process detailed in (3) above is designed to be an effective system for processing and crediting each and every voucher submitted. It is based on an actual count of vouchers, not on historical figures. In the circumstances, I find that, on the balance of probabilities, there was a breakdown in Mr. T.'s checking system for newspaper and magazine vouchers and find in favour of Smiths News.

Neil Robinson

Signature of Arbitrator: _____

Date: 13th May 2020

Seat of Arbitration: London, England.

Date form returned to PDC Administrator:

13/05/2020

Date Independent Arbitration Decision sent to Wholesaler & Retailer:

14/05/2020