

## Press Distribution Charter

### Stage 3 - Independent Arbitration Decision

PDC Reference Number:

PDC243282/12022019

Date First Issued:

12.02.2019

Name of Arbitrator:

Neil Robinson

Date complaint sent to Arbitrator:

20/03/2019

In the matter of the Arbitration Act 1996 and in the matter of a dispute between Mr. Retailer and Smiths News (SN), Unit 1 – 2 March Way, Battlefield Enterprise Park, Shrewsbury, SY1 3JE. This complaint concerns alleged failure by Smiths News to:

- a) Deliver all titles and their appropriate sections no later than the Retailer Delivery Time (RDT) or Scheduled Delivery Time (SDT) for the day of sale contrary to Standard 2.1 of the Press Distribution Charter (PDC)
- b) Supply product in a saleable condition contrary to Standard 3.3 of the PDC.
- c) Collect returns daily contrary to PDC Standard 5.2.
- d) Process all returns on the next available invoice contrary to PDC Standard 5.9.
- e) Supply various items of paperwork contrary to PDC Standards 3.3, 5.6, 6.1 and 7.2.

By PDC Stage 2 Complaint dated 09/02/2019 Mr. C. alleged that, for a period of 8 weeks prior to the complaint, he received “wholly unacceptable” service from SN as detailed above. Unfortunately, Mr. Retailer did not supply specific examples of the breach of PDC Standards by date. He believed that the poor levels of service were disadvantaging him financially and claimed “compensation of a minimum amount of £100.00 for lost trade, extra man hours, telephone calls and stress.”

SN by letter dated 15/02/2019 responded to the complaint and, whilst not apologising for the unacceptable service, did agree to put the following measures in place:

- a) Authorised and requested credits for his re-charges.
- b) Apply 100% check of newspaper supplies for 2 weeks.
- c) Apply 100% check on all paperwork being packed.
- d) Instigate a quality assurance check on all news returns for a period of 2 weeks.
- e) Instigate a quality assurance check on the packing of magazines and return of the same.

SN also agreed to credit Mr. Retailer one week’s Delivery Service Charge as a gesture of good will.

Mr. Retailer was unhappy with the response received from SN and requested that the complaint be escalated to Stage 3 of the PDC Complaints Process. Having considered the evidence submitted to me I requested further and better particulars from Mr. Retailer identifying specific dates of SN’s service breaches and quantifying his loss on those dates on the sale of newspapers and magazines. Mr. Retailer responded to the request by advising me “it has proven very difficult to actually come up with the evidence you require.” He further advised that “things have slightly improved”, but that he was still experiencing poor service levels.

Having carefully considered the evidence submitted to me, I adjudicate as follows:

1. The industry does understand how important the service retailers receive from wholesales is.

2. In order to help ensure that retailers receive good service the PDC sets out the minimum levels of service that a retailer can expect from wholesalers, distributors and publishers thereby helping him sell more newspapers and magazines.

3. Mr. Retailer has made a PDC Complaint covering a wide range of service failures by SN and finds this "wholly unacceptable". SN has not denied the allegations of poor service. It has agreed to put a number of quality assurance checks in place, some for a limited period, in order to try and correct the issues and also agreed to credit Mr. Retailer with one week's Delivery Service Charge as a gesture of goodwill.

4. **SN must adhere to the PDC Standards.** If it fails to do so, Mr. Retailer, as the aggrieved retailer, can seek correction of the problem/s or seek restitution for proven loss suffered on the sale of newspapers and magazines.

5. SN has indicated that it has put a number of measures into place to try and resolve Mr. Retailer's problems, but in several instances the measures are for a short period of time. As Mr. Retailer is still experiencing difficulties, SN must continue with its quality assurance measures until such time as its service levels meet the PDC Standards.

6. I would hope that (5) above will correct the poor service levels to Mr. Retailer, but if they do not Mr. Retailer is entitled to restitution for the proven loss on the sale of newspapers and magazines.

7. Restitution is about restoring the injured party to what has been lost and any restitution ordered should be for proven losses resulting directly from the breach taken over the period covered specifically by any complaint.

8. In order to claim restitution Mr. Retailer must always submit full details of his claim to SN. As this has not been done in this case, I am unable to make a restitution award.

*Neil Robinson*

Signature of Arbitrator: \_\_\_\_\_

Date: 22nd March 2019

Seat of Arbitration: London, England.

Date form returned to PDC Administrator:

22/03/2019

Date Independent Arbitration Decision sent to Wholesaler & Retailer:

25/03/2019