



**CONSUMERS' ASSOCIATION OF IRELAND**

SUBMISSION

TO THE  
DEPARTMENT OF JOBS, ENTERPRISE AND INNOVATION  
ON THE

GROCERY REGULATIONS CONSULTATION

FEBRUARY 2015

## **INTRODUCTION**

The Consumers' Association of Ireland (CAI) is a wholly independent, non-profit, NGO, registered with charitable status, founded in 1966 to protect and promote the interests of consumers.

### **Government Objective & Purpose of the Consultation**

The mission of the Government is straightforward:

The Competition and Consumer Protection Act 2014 came into force on 31 October 2014.

Part 6 of that Act contained enabling provisions which gives the Minister for Jobs, Enterprise and Innovation the power to introduce regulations to regulate certain practices in the grocery good sector.

The Consumers' Association of Ireland (CAI) is providing comments and observations to the draft set of Regulations as circulated.

### **Proposed Legislation**

Since the abolition of the Groceries Order consumers have seen significant changes in the activities of the providers of their grocery needs. With the abolition of the ban on below cost selling significant change is pricing and competition policies have been adopted by the sector.

The recession has, of course, also significantly altered the manner and the procedures through which the sector operates and there is an attempt within the Regulations as drafted to manage these.

The CAI would always have concern at the lack of transparency with the pricing structure and the background costs that give rise to the final price at the till. The regulations must deal with this appropriately and definitively.

February 24<sup>th</sup> 2015.

***Part 2 Section 5. (1) and (2).***

The Consumers' Association of Ireland considers there needs to be a Standard Format Contract and an attaching Appendix outlining in specific detail and in plain intelligible language any and all variations jointly agreed.

***Part 2 Section 6. (1) and (2).***

The Consumers' Association of Ireland considers that it may be necessary to provide guidance to what is termed 'reasonable'. This can take the form of e.g. Minimum/Maximum term of contract and with similar terms of notice for cessation etc.

***Part 2 Section 7. (2)***

Under the provisions of Section 5. (1) and (2) as outlined above there should be no absence of contract terms

***Part 2 Section 8. (3)***

The CAI proposes this be changed to read:

*The party affected by the circumstances referred to in paragraph (2) shall, immediately upon becoming aware of the potential for or likelihood of, notify the other party in writing.....*

***Part 2 Section 10.***

The CAI would wish for all costing to be audited and confirmed fair and reasonable by independent and qualified accountants.

***Part 2 Section 13.***

These provisions directly affect the price of goods to the consumer as they are a part of the cost for supply.

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***Part 2 Section 14***

The CAI would require this to be an exceptional requirement and not, in any way, a fixed term of any contract.

***Part 2 Section 15***

The CAI is opposed to this practice and sees no need for its inclusion.

***Part 2 Section 17***

The CAI would view this as being a standard business cost and see no reasonable requirement for any such payment except in very exceptional circumstances.

***Part 3 Section 21 (2)***

The CAI suggests the following change:

(2) The report shall –

(a) be signed by a director of, or company secretary to, the relevant grocery goods undertaking and be accompanied by a current, relevant independent auditors report

ENDS

Consumers' Association of Ireland

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