



Press Distribution Review Panel

Annual Report 2015

Governance

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

- a. Encourage compliance with the Press Distribution Charter (PDC).
- 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

A copy of the PDC can be obtained from wholesalers, the Press Distribution Forum (PDF) 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 – Resolving the issue informally by discussion with the wholesaler.
- Stage 2 – If Step 1 is unsuccessful, request a Stage 2 PDC Formal Complaint 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:

Steve Archer	-	Independent Retailer
Rajiv Chotai	-	Independent Retailer
Linda Gardner	-	Menzies Distribution
Mark Gilhespie	-	News Media Association (NMA)
Mark Pardon	-	Professional Publishers Association (PPA)
Graham Read	-	Independent Retailer
Neil Robinson	-	Independent Chairman
Andy Smith	-	Smiths News
Paresh Vyas	-	Independent Retailer
Dorothy King	-	PDRP Administrator

Meetings were held on 30/04/2015, 23/07/2015, 03/09/2015 and 10/12/2015. The minutes of these meetings can be found on the Press Distribution Forum web site.

Statistics

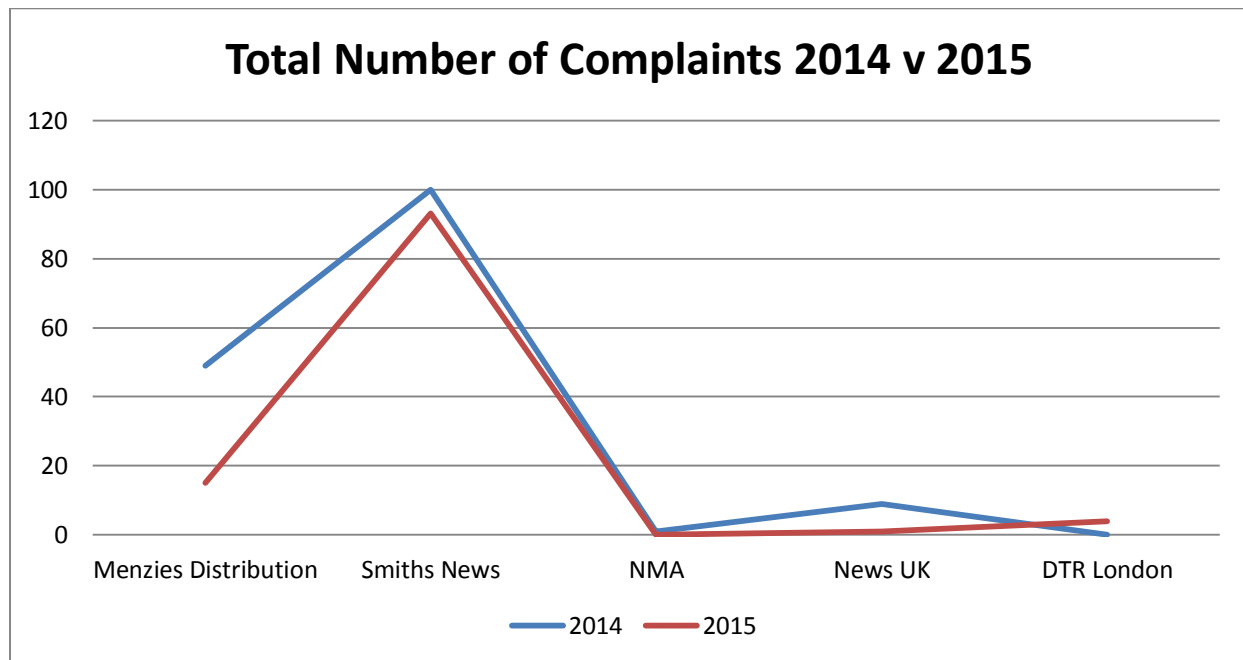
During the twelve month period 1st January 2015 and 31st December 2015 a total of 116 PDC Stage 2 complaint forms were submitted generating a total of 179 breaches of PDC standards. The complaints originated from 35 wholesale houses, 1 News UK, 4 Direct To Retail (DTR) London and 3 newspaper publishers.

During this period 4 complaints were escalated to Stage 3.

During the period under review there were in excess of 137 complaints that were resolved via the PDF helpline.

During the twelve month period 1st January 2014 and 31st December 2014 a total of 159 PDC Stage 2 complaint forms were submitted generating a total of 262 breaches of PDC standards. The complaints originated from 39 wholesale houses, 1 NMA and 9 News UK.

During this period 10 complaints were escalated to Stage 3 and complaints were 57 resolved via the PDF helpline.



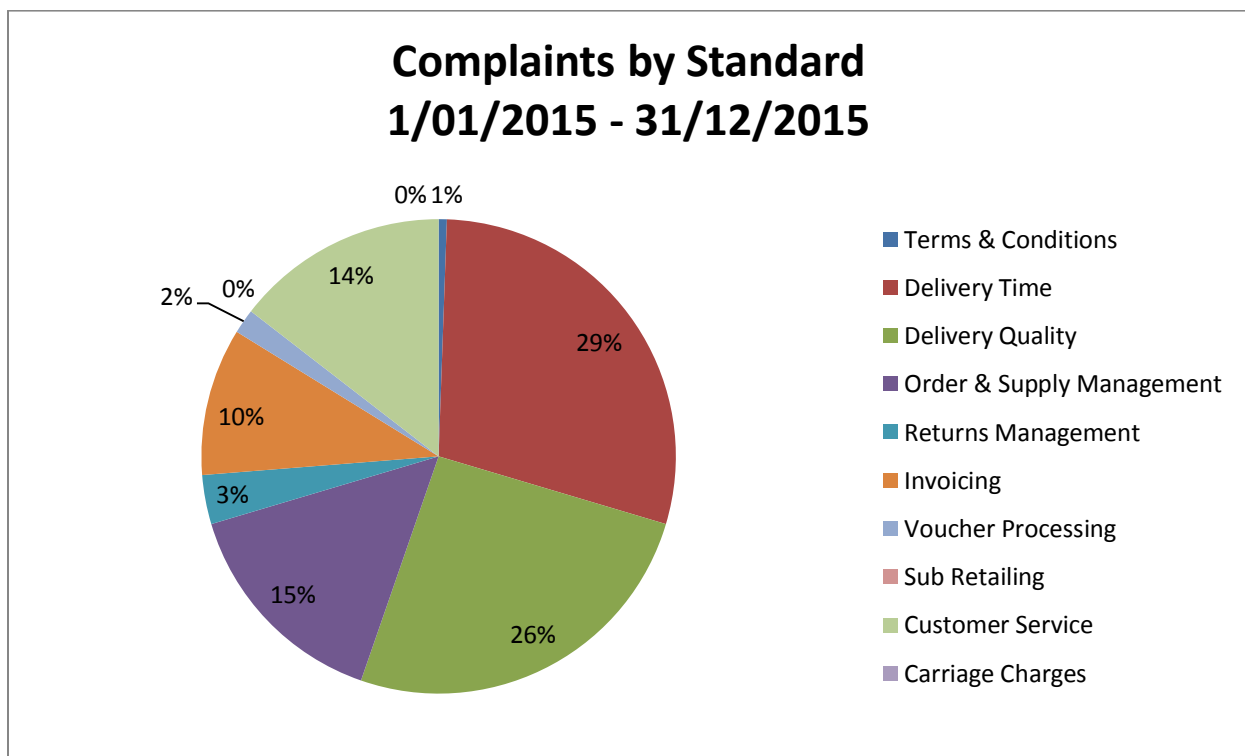
Complaints By Month

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2014	8	8	6	12	11	10	16	15	19	26	16	12
2015	13	9	6	8	10	8	8	9	11	14	11	9

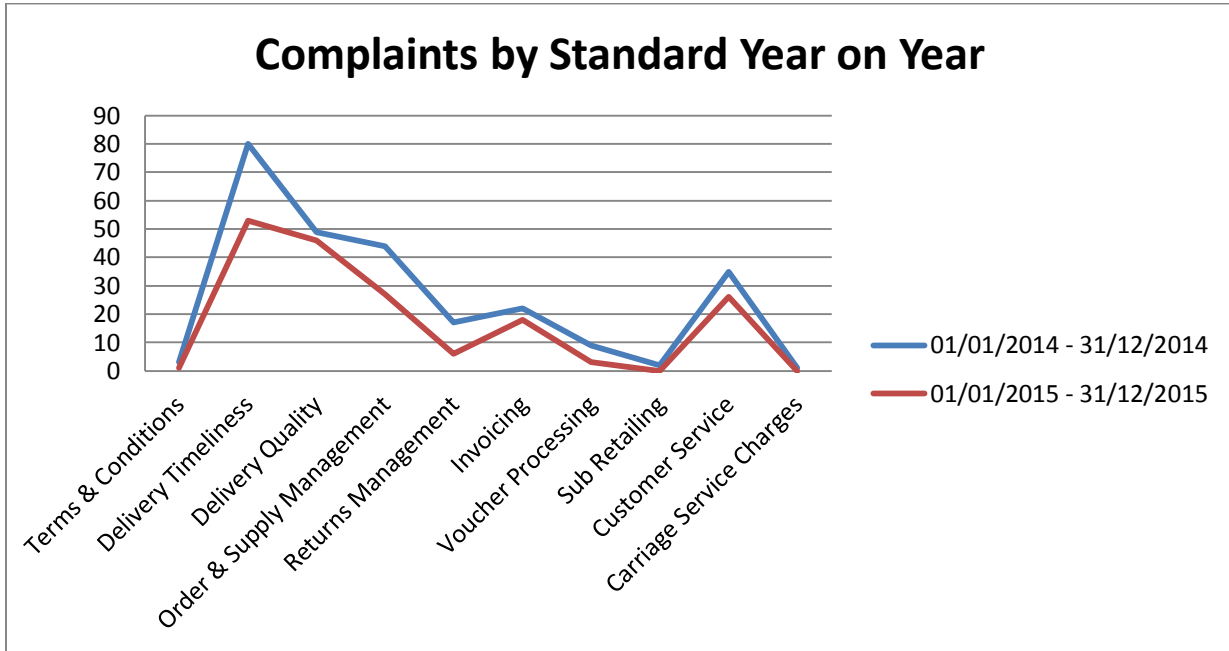
Complaints by Standard

Of the 179 breaches that were reported 1 related to Terms & Conditions, 52 Delivery - Timeliness, 46 Delivery Quality, 27 Order and Supply Management, 6 Returns Management, 18 Invoicing, 3 Voucher Processing, 0 Sub Retailing, 26 Customer Service and 0 Carriage Charges.

During the twelve month period 01/01/2014 - 31/12/2014 of the 262 breaches that were reported 3 related to Terms & Conditions, 80 Delivery Timeliness, 49 Delivery Quality, 44 Order and Supply Management, 17 Returns Management, 22 Invoicing, 9 Voucher Processing, 2 Sub Retailing, 35 Customer Service and 1 Carriage Service Charge.



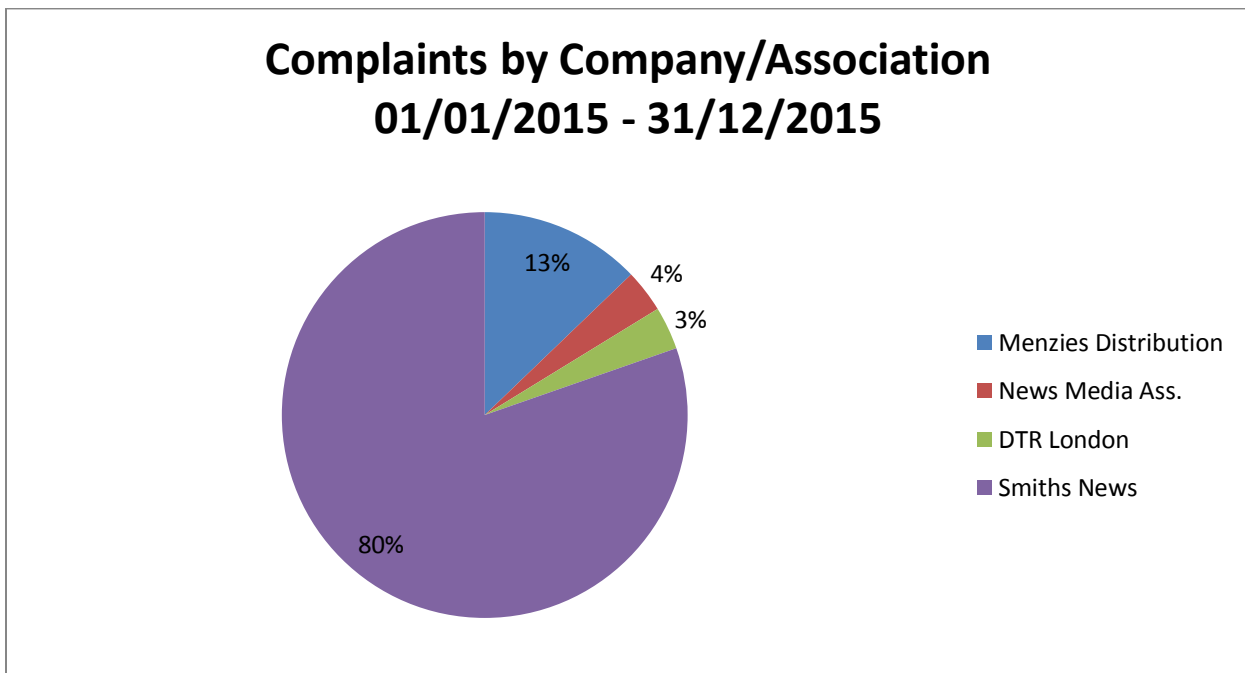
The previous 'annual' report issues actually covered a 14 month period between 01/11/2013 and 31/12/2014. The statistics cited in this report are a true representation of the actual figures for 2014.



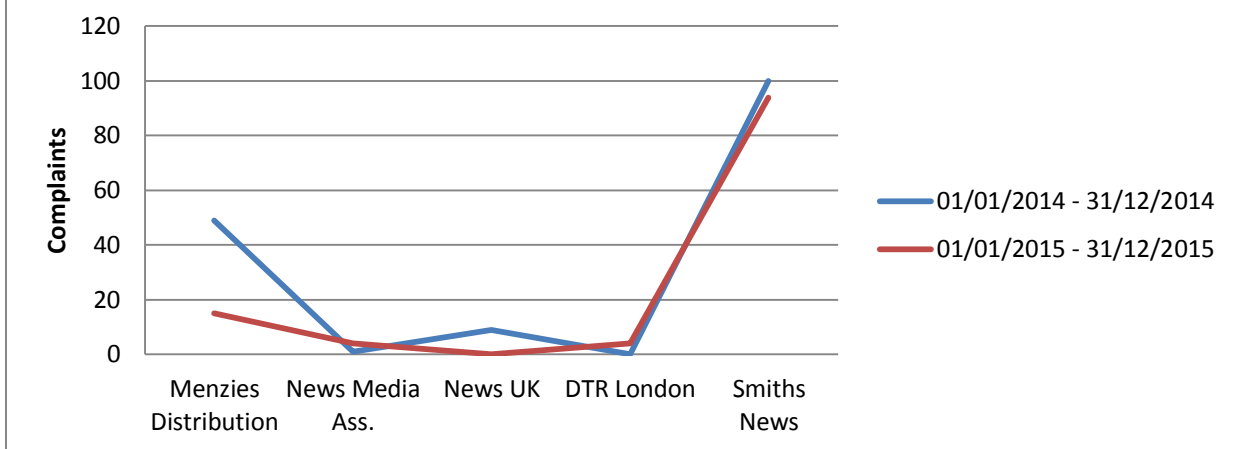
Complaints by Company /Association

In 2015 Menzies Distribution dealt with 15 Stage 2 complaints, Smiths News 94, NMA 4, and DTR London 4. There were no complaints regarding magazines made to the PPA.

In 2014 Menzies Distribution dealt with 49 Stage 2 complaints, Smiths News 100, NMA 1 and News UK 9. There were no complaints regarding magazines made to the PPA.



Complaints by Company/Association Year on Year



Type of Complaint by Branch 01/01/2015 - 31/12/2015

Wholesaler/ Publisher	Area	T. & C.	Del. T.	Del. Q.	Ord. & Supp.	R M.	Inv.	V. P.	Sub. Ret.	C. S.	C. C.
Menzies	Inverness		1								
Dist.	Ipswich			1	1						
	Leeds		1								
	Linwood		1	1							
	Maidstone		2		1		1				
	Newbridge		3		1						
	Preston				1						
	Sheffield		1	1							
	Swansea		1								
	Total	0	10	3	4	0	1	0	0	0	0

Smiths	Barnstable				3					1	
News	Birmingham				1					1	
	Borehamwood		3	1	2		1			3	
	Bournemouth			1			1			1	
	Bristol				1						
	Crawley				1		1				
	Gloucester			2	2					2	
	Hammersmith		8	8		1	4			2	
	Hornsey					1	2				
	Lancing		3	1	1	1		1		1	
	Liverpool			1						1	
	Newport		1	2			5			2	
	Northampton		1								
	Nottingham		5	3	3	1	1			3	
	Oxford		5	4	1			2		2	
	Peterborough		4	4	3					4	
	Plymouth		1	1						1	
	Reading		2	2			1				
	Redruth				1					1	
	Shrewsbury			1							
	Slough		2	2							
	Stevenage		1								
	Stockport	1	3	4	3	1	1			1	
	Swindon				1						
	Warrington			1							
	Yeovil			1							

	Total	1	39	39	23	5	17	3	0	26	0
DTR London			3	1							
NMA				3		1					
	TOTALS	1	52	46	27	6	18	3	0	26	0

Types of Complaint by Branch 1/01/2014 - 31/12/2014

Wholesaler/ Publisher	Area	T. & C.	Del. T.	Del. Q.	Ord. & Supp.	R M.	Inv.	V. P.	Sub. Ret.	C. S.	C. C.
Menzies	Ipswich		2		2						
Dist.	Leeds	1	2	2	1						
	Linwood				1						
	Maidstone		8	3	4	1	1	1		2	
	Newbridge		2								
	Portsmouth				1						
	Preston		1								
	S E London		3	1		1					
	Sheffield	2	9	3	4	2	1	1		1	1
	Swansea		3	2	4			1			
	York		1	2	2			1			
	Total	3	31	13	19	4	2	4	0	3	1
Smiths	Barnstable		3		1					2	
News	Birmingham		4	2	1		1				
	Bodmin		1		2						
	Borehamwood		2	1	3	2	4			3	

	Bournemouth				1		1				
	Croydon		1	1	1						
	Exeter		2	1	2		1	1		1	
	Gloucester				1						
	Hammersmith		5	6	1	3	4		1	7	
	Hornsey		4	1		1				1	
	Lancing		1	1			1			1	
	Liverpool		4			1					
	Newcastle		2								
	Newport			1	1					1	
	Northampton		1	1	2		1	1		3	
	Nottingham		1		1	1	1			1	
	Oxford		4	1	3	1	1			2	
	Peterborough		1	1						1	
	Plymouth		1	1			1				
	Reading		1								
	Redruth			1						1	
	Slough		2	3				1		2	
	Southampton		1	1	1		2			2	
	Stockport		2	2	2	3	1	1	1	1	
	Stoke		1	1						1	
	Swindon		1	1							
	Wednesbury			2	2		1			2	
	Yeovil		1	1		1					
	Total	0	46	30	25	13	20	4	2	32	0

NUK			2	6				1			
NMA			1								
	TOTALS	3	80	49	44	17	22	9	2	35	1

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 01/01/2015 – 31/12/2015.

Wholesaler/Publisher	Number of Complaints	Not completed in 28 days	Average Time for Completion
Menzies Distribution	15	0	6.33
NMA	4	0	11.25
DTR London	4	0	4.72
Smiths News	94	5	8.62

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	49	5	11.16
NMA	1	0	28.00
News UK	9	1	9.44
Smiths News	100	5	8.35

During the period under review there were 4 referrals to the Independent Arbitrator who is required to deliver adjudication within 14 days. The average time taken for the adjudications was 12.60 days. The time limit was not exceeded.

Trends

The consideration of trends is made complicated by two factors. The first is that the report 'year' has been changed from November - October inclusive to January -

December. The second, is that was a review of the Press Distribution Charter resulting in the loss of some standard categories and the introduction of others. In these

circumstances, direct comparisons are difficult and data must be considered accordingly.

The basic data for the five years that the PDRP has been in existence is as follows:

Period	Com.	Br/ch	T & C	Del.T	Del.Q	OSM	RM	Inv.	V.P.	SubR	C.S.	C.C.
1/11/10 - 31/10/11	64	76	3	53	N/A	10	3	1	0	N/A	6	N/A
1/11/11 - 31/10/12	111	170	8	74	N/A	31	10	5	31	N/A	8	N/A
1/11/12 - 31/10/13	117	181	12	76	N/A	39	5	5	26	N/A	15	N/A
1/1/14 - 31/12/14	159	262	3	80	49	44	17	22	9	2	35	1
1/1/15 - 31/12/15	116	179	1	53	46	27	6	18	3	0	26	0

The statistics for the period 01/01/2015 – 31/01/2015 show that there was a decrease in the number of complaints made under the Press Distribution Charter complaints process.

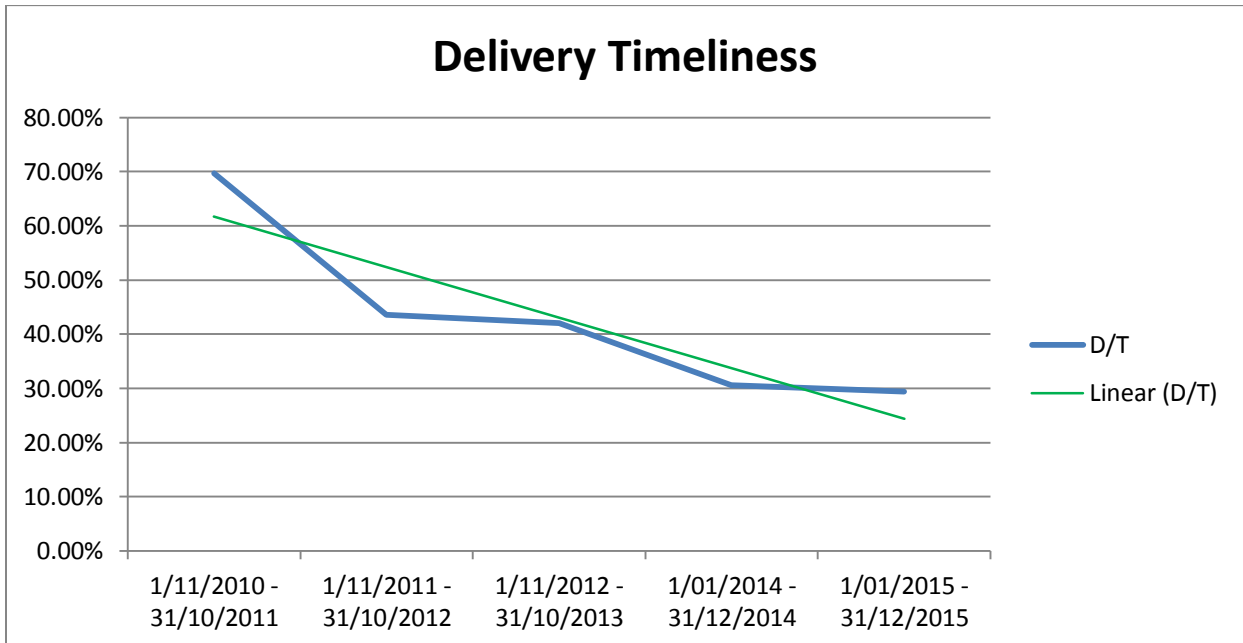
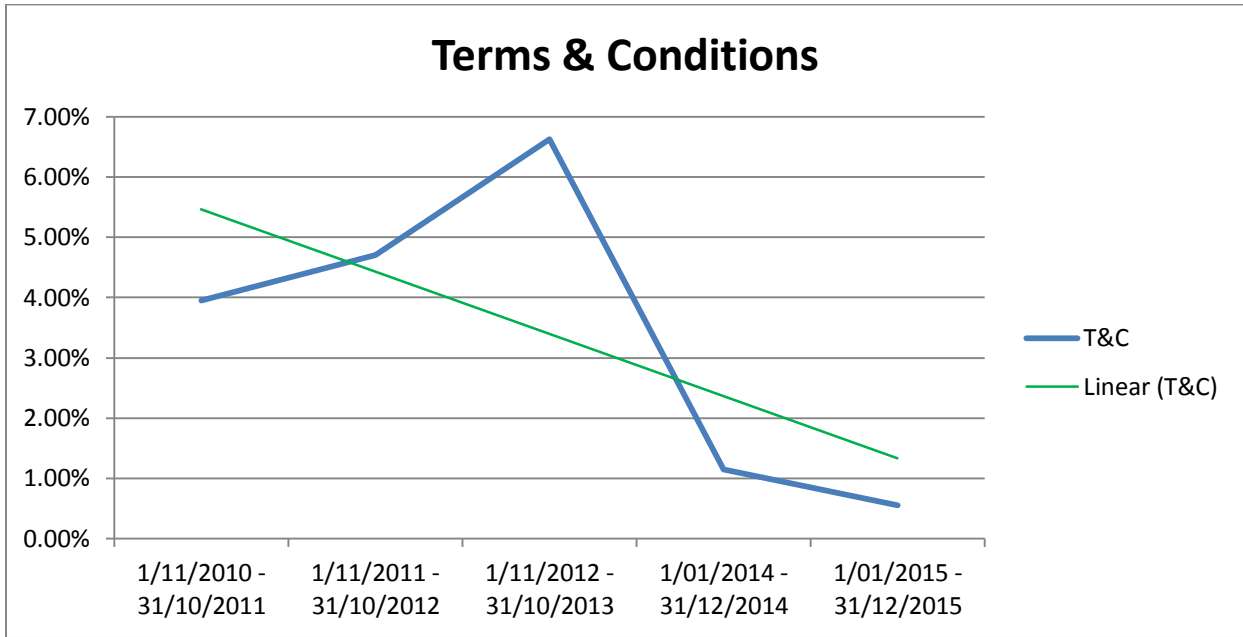
With a decrease in the total number of complaints made and alleged failures, all categories show a corresponding decrease. In order to identify trends in the types of complaint it is necessary to examine the complaint category as a percentage of the total alleged failures. This exercise produces the following table:

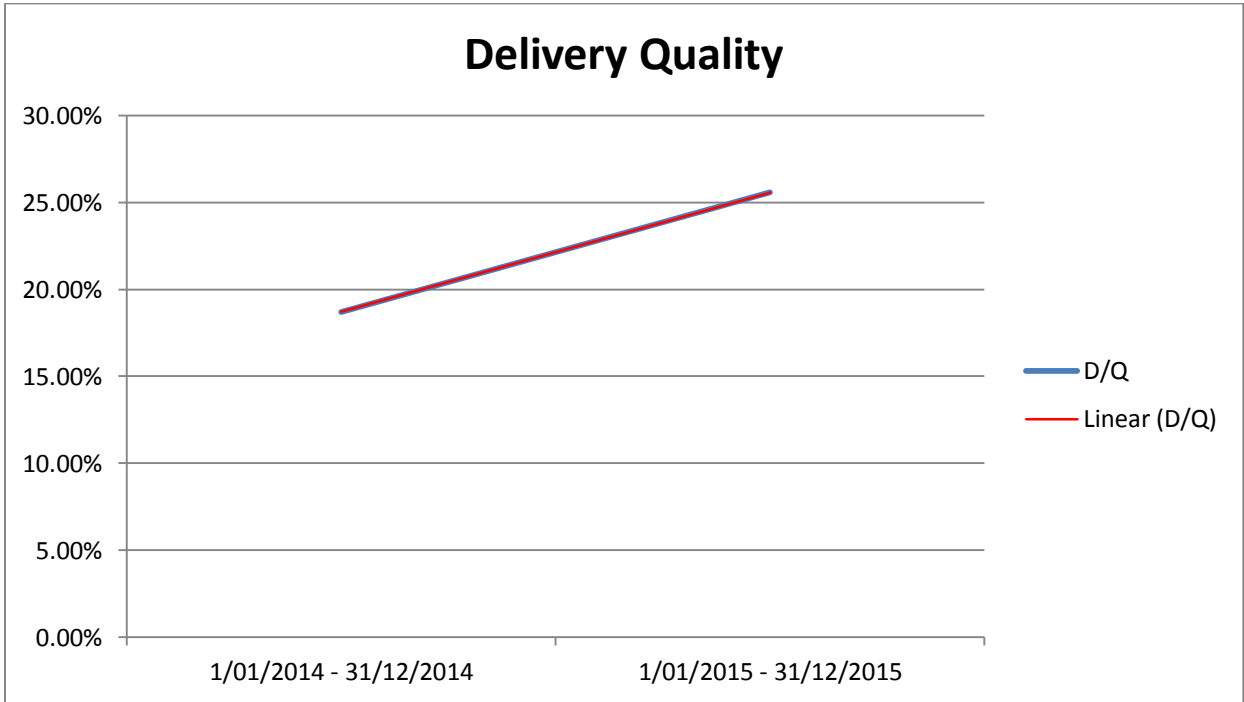
Period	Br/ch	T & C	Del.T	Del.Q	OSM	RM	Inv.	V.P.	Sub R	C.S.	C.C.
1/11/10 - 31/10/11	76	3.95	69.74	N/A	13.16	3.95	1.32	0	N/A	7.89	N/A
1/11/11 - 31/10/12	170	4.71	43.53	N/A	18.24	5.88	2.94	18.24	N/A	4.71	N/A
1/11/12 - 31/10/13	181	6.63	41.99	N/A	21.55	2.76	2.76	14.36	N/A	8.29	N/A
1/01/14 - 31/12/14	262	1.15	30.53	18.70	16.79	6.49	8.40	3.44	0.76	13.36	0.38

1/01/15 - 31/12/15	179	0.56	29.44	25.56	15.00	3.33	10.00	1.67	0.00	14.44	0.00
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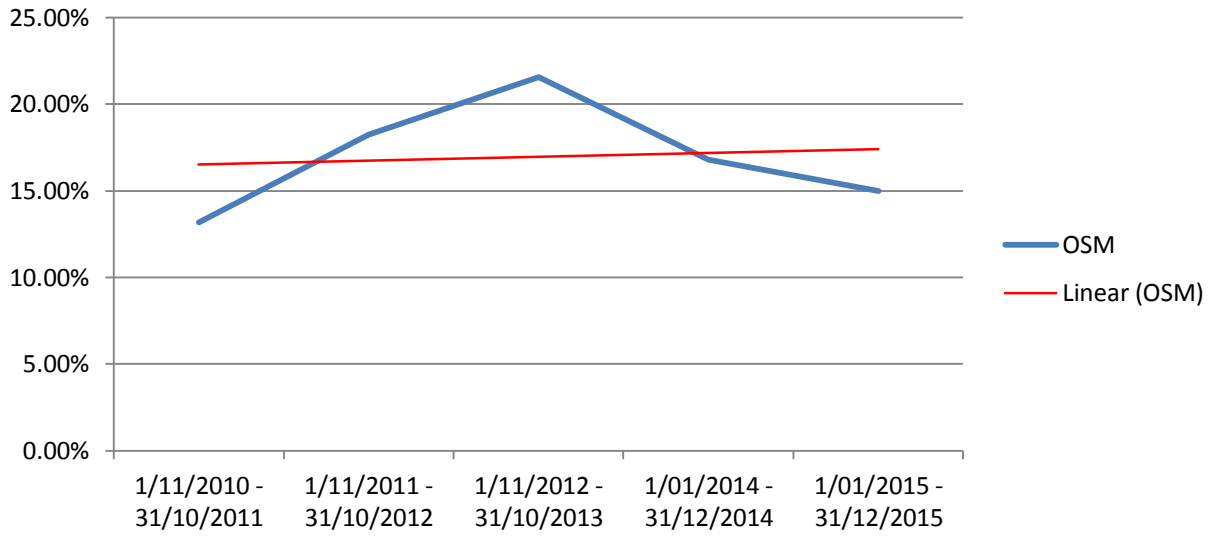
* Figures for breaches (Br/ch) represent actual number. The remainder are percentages.

It is now possible to identify movement in the individual complaint categories as follows:

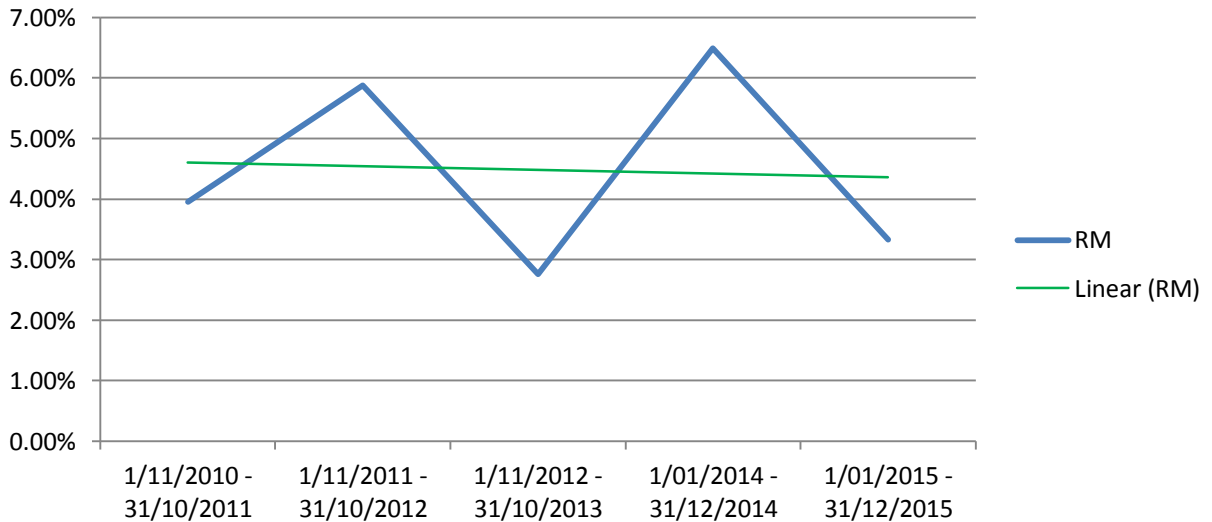




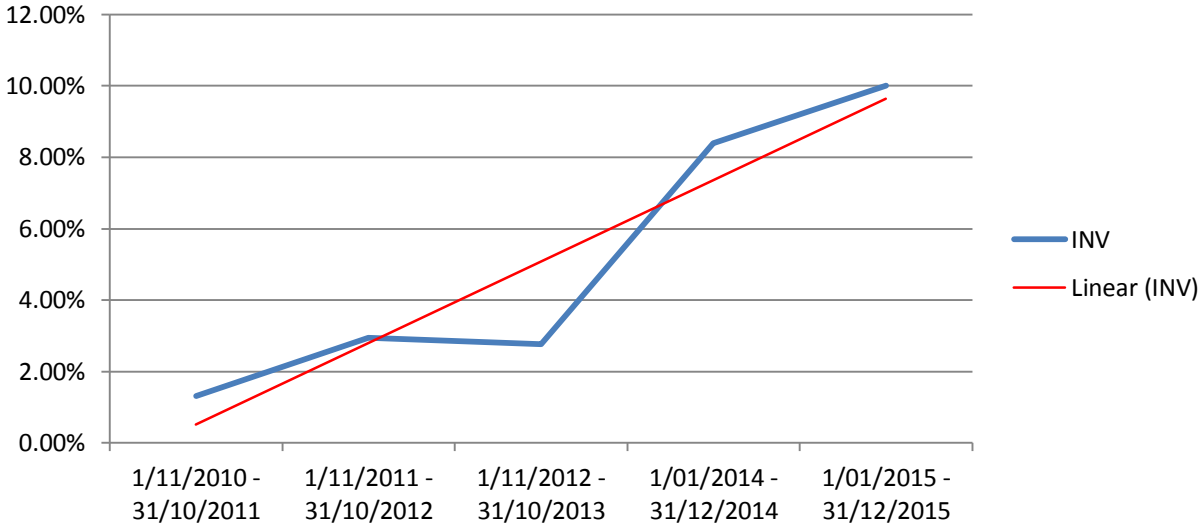
Order & Supply Management



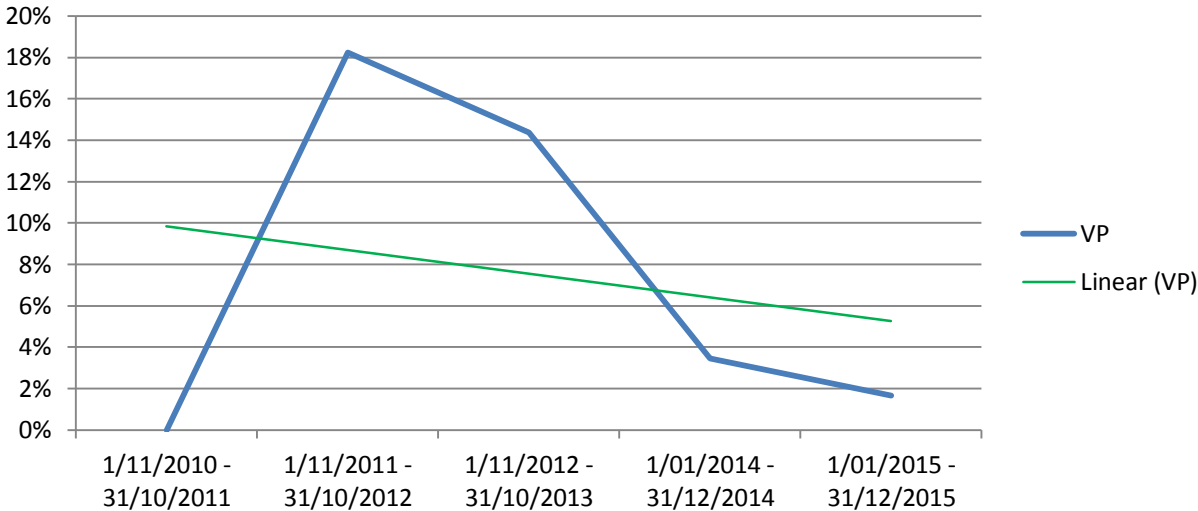
Returns Management

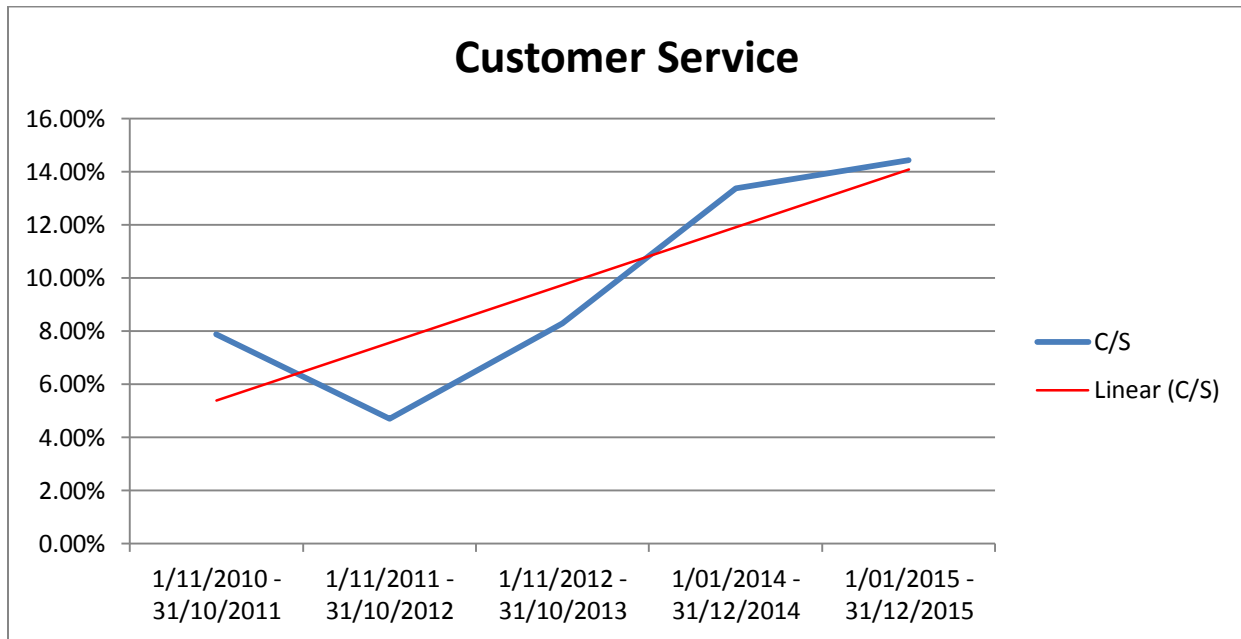


Invoicing



Voucher Processing





From the trend line graphs we can identify that Terms & Conditions, Delivery Timeliness, Returns Management and Voucher Processing have experienced a fall, whilst Delivery Quality, Order & Supply Management, Invoicing and Customer Service increased.

Invoicing complaints have suffered a big increase and it is always disappointing to see a continued increase in the complaints relating to Customer Service.

The PDRP is pleased to note that the timeliness of complaint handling remains 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.

Issues

Data Collection

The PDRP monitors service levels by measuring the complaints made at Stage 2 and, accordingly, it is critical for wholesalers, publishers and distributors to positively and transparently handle such complaints through the due process and for proper capture and recording of those complaints. A formal Stage 2 is deemed to exist once a Complaint Form has been completed and returned to the wholesaler, publisher or

distributor. Every completed Complaint Form must be recorded at this point. Unfortunately, the PDRP does not believe that this is always happening as there are instances where a complaint is quickly resolved whereupon it is deemed resolved and therefore not recorded.

Activity of the Press Distribution Review Panel

Standardisation of Correction/Restitution

The PDRP is committed to the newspaper and magazine industry offering a standardised offer to retailers when there is a failure to meet a Press Distribution minimum standard. Currently Smiths News, newspaper publishers and magazine publishers recognise the Charter, but Menzies Distribution has its own 'Customer Service Pledge'. Whilst this is independent of the industry Charter, it does provide the same minimum standards. If anything going a little bit further.

A PDRP Sub Group monitors the PDC and the 'Customer Service Pledge' in order to ascertain whether there is a single set of minimum standards applicable to all retailers and how best to bring about greater harmonisation.

Of greater concern to the PDRP is the standardisation of 'correction/restitution'. In order to generate transparency and fairness, the PDRP would like the industry to offer the retailer a standardised correction/restitution offer. The PDRP's aim is to establish a fair and reasonable restitution package at Stages 1 and 2 which is adhered to by publishers, distributors and wholesalers alike.

To start this process, the PDRP spent a considerable amount of time reviewing the amount of restitution payable for late delivery. Progress was slow as it was determined by the rate at which the proposals were accepted by the partners in the supply chain, however a universal 55p per copy was agreed upon subject to some caps and that is now being applied across the industry.

Unfortunately, this progressive move by the PDRP has been the subject of misinformation by some groups. Retailers are being led to believe that they have an automatic right to 55p per copy each and every time a delivery is late. This is most certainly not the case.

In instances where delivery is late the PDC complaints process must be followed. In going through the simple three part process, consideration is given to the following:

- a) The PDC requires a complaint to be "serious or persistent" before it can be escalated to a Stage 2 formal complaint. Seriousness must be determined by consideration of each individual case and is often determined by a wholesaler or publisher at first instance, but can ultimately be determined by the independent arbitrator if the retailer escalates the case to Stage 3.

A definition of persistence has been agreed by the industry as follows - the same problem occurs more than three times in three weeks for Monday to Friday newspapers, or more than three in six weeks for Saturday or Sunday newspapers and for magazines.

Restitution for lateness is subject to these parameters.

b) There must be a determination of responsibility for the failure to meet a standard. Was it the wholesalers 'fault', the publishers or simply an unavoidable issue that was beyond the control of anybody e.g. the weather? These issues must be considered before restitution is awarded and indeed, in the later case *Force Majeure* will apply and restitution will not be paid at all.

c) Dependent on the circumstances of each case, there may well be other remedies available to the retailer. It is far better for all concerned if problems are recognised and understood thereby creating an ability to correct the problem. Merely paying out restitution may not be the answer. It could be that a delivery round is re-arranged to ensure any suffering retailer can achieve an earlier delivery time!

The PDRP will continue to work towards harmonisation of "correction/restitution", but the industry must realise that this does not constitute any form of 'automatic' payments.

The PDRP is committed to developing a correction/restitution package that reduces the dependence on Stage 2 and 3 Complaints.

'PDC - Guidance Notes for Retailers'

The PDRP has published a new and comprehensive guide, entitled 'PDC - Guidance Notes for Retailers' which it is hoped will take retailers through the PDC complaints process step by step. It goes as far as identifying the evidence and documents that are needed in order to support the complaint.

Subsequent to the launch of the guide the National Federation of Retail Newsagents (NFRN) submitted a number of constructive points on the guide and the PDC which the PDRP considered at great length and incorporated where agreed and possible.

The guide is now being issued to every retailer requesting a Press Distribution Complaint Form whether it be from a wholesaler, distributor, publisher or the PDRP Administrator.

Quality Assurance

The PDRP is committed to the continued improvement and development of the PDC complaints process. In furtherance of this, the PDRP decided to monitor its own performance and assess the retail satisfaction with the process via a Quality Assurance Questionnaire.

The quality assurance project began with a hard copy of a questionnaire being circulated to all retailers making a Stage 2 and 3 complaints. Unfortunately, responses were disappointing and it became necessary for the PDRP Administrator to phone retailers and take down questionnaire responses over the phone. This was obviously time consuming and expensive.

The PDRP reviewed the operation and decided that the questionnaire would be better delivered to retailers by way of an electronic survey allowing retailers to respond quickly and anonymously. The intention was for responses to be captured within a computer data base. In order to achieve this, when complaints are resolved at Stage 1 a link to the questionnaire is contained within the written confirmation from the wholesaler or publisher requesting them to respond accordingly. The questionnaire is also made available to retailers who have made a complaint at Stage 2 of the PDC complaints process via a link on the final written adjudication.

The exercise was reported in the trade press and this generated some retail disquiet at the fact that the questionnaire was only available to those retailers that had made a Stage 2 PDC complaint.

Unfortunately, the PDRP has received no completed questionnaires. The questionnaire is designed to assess retail satisfaction with the PDC complaints process and as such is important to us. Without feedback, future development work on the Charter and its complaints process is made more difficult.

The absence of response is made even more surprising as a number of retailers expressed various views about it in the trade press.

The PDRP urges retailers with a direct knowledge of the PDC complaints process to provide feedback to us via the questionnaire. The PDRP also wishes to make it clear that any retailer is welcome to make comment on the PDC and its complaints process. The PDRP welcomes constructive comment and will properly consider any such submissions which should be made to the PDRP Administrator admin@pdrp.co.uk

Dialogue With NFRN

The PDRP has four retail representatives sitting on it and currently three of these are senior members of the NFRN. Their contributions have added to the debate and helped bring about a better awareness of retail issues.

In addition to the presence of NFRN members on the PDRP, there has been constructive dialogue with the NFRN executives at Head Office on various points concerning the PDC, the complaints process and the 'PDC - Guidance Notes for Retailers'.

The PDRP welcomes NFRN participation and has offered 'observer status' to the NFRN should it care to join our meetings. It is to be hoped that the offer is accepted.

Press Distribution Charter

During the course of its work the PDRP comes into direct contact with the Press Distribution Charter and its minimum standards. As a result, various views and observations are expressed with regard to the Charter.

The formal review of PDC standards has historically been the prerogative of a PDF group under an Independent Chairman and the PDRP is mindful of this. However the PDRP is of the opinion that the work of the PDF review group might be made easier with constructive recommendations from interested parties or bodies.

With this in mind, the PDRP has formed a sub group to look at the standards and the complaints process with a view to submitting a paper on its recommendations to the next formal Charter review committee.

The sub group has had a number of meetings and conference calls and has prepared a paper which has been approved by the full PDRP. It will now be presented to the PDF as and when required.

Neil Robinson

Chairman – Press Distribution Review Panel

01/03/2016