



Project Report

SCOTSS National Fair Trading Group – Supermarket & Convenience Shops Pricing Project 2022-23

Version: 2
Author: Lyndsey Radke - Fife Council Trading Standards
Del Henderson – Aberdeen City Trading Standards
Date: 16.03.2023

Contents

Background

The Project Supermarket & Convenience Shops

Project Approach

Project Results

Recommendations

Legislation & Guidance

Project Participants

Appendix 1 – Examples of issues - Supermarkets

Appendix 2 – Examples of issues – Convenience Stores

Background

Local Authority Trading Standards are responsible for enforcing laws that ensure accurate pricing for consumers, such as the [Price Marking Order 2004](#) [“the PMO”] and The [Consumer Protection from Unfair Trading Regulations 2008](#) [“CPRs”].

The Price Marking Order 2004 requires where goods are offered for retail sale, the selling and, where appropriate, the unit price, must be given in writing. They require the selling price to be inclusive of VAT, unambiguous, easily identifiable, and clearly legible.

The cost-of-living crisis has contributed to increased scrutiny of prices due to economic uncertainty and a higher frequency of price changes by retailers.

Reports indicate an increase in complaints regarding pricing issues, including instances where products are not clearly marked with their prices, or where prices at the point of sale do not align with those displayed on shelf edge labels.

All businesses, regardless of size or industry are afforded equal opportunities to compete and succeed in the market. It is essential that businesses are not disadvantaged nor given an unfair advantage due to factors such as non-compliance by competitors. The PMO and CPRs are applied consistently across small, medium, and large retailers ensuring a level playing field which is vital for the maintenance of a healthy economy. Such an environment promotes competition, innovation and ultimately benefits consumers by providing them with a greater range of options and accurate pricing.

The Supermarket & Convenience Shops Pricing Project

The project ran from 14 October until 28 December 2022, and in total, 23 local authorities participated from across Scotland.

Project Approach

Participating authorities were accountable for carrying out enforcement actions in line with their own enforcement policies. The project protocol included guidance for completing the project, as well as a pre-commencement briefing session for participants.

The primary aim of the project was to check compliance with relevant legislation, considering what was proportionate and necessary to ensure markets operated as they should and to highlight any topical issues of concern.

The project aimed to -

- a) Verify the accuracy of prices and unit prices of goods across Scotland from small convenience stores to large scale supermarkets, against the requirements of the PMO and CPRs by checking if the prices on the shelf matched those at the till.

Note: - the focus of the project is not reference pricing but price marking, unit pricing and accuracy of prices.

- b) Investigate the frequency and thoroughness of retailers' pricing checks and due diligence.
- c) To re-iterate legal obligations under the CPRs and the PMO considering appropriate enforcement action where necessary and proportionate.
- d) Gather appropriate intelligence from the visits including any examples of unit pricing that could mislead consumers, for example fruit being sold individually by kg but pre-packaged fruit being sold by number.

Project Results

1. **23 local authorities** across Scotland provided statistics of their participation in the project.
2. The project encompassed **17 of the biggest national supermarket chains**. To ensure fairness and accuracy in the reports, each retailer was visited by at least two Local Authorities, thereby maintaining a consistent evaluation process.
3. **A total of 228 small and medium sized convenience stores** were also visited across the 22 participating local authorities.

National Supermarket chains

A total of 118 visits were conducted by the participating local authorities, with all of the biggest national chains included.

The following statistics highlight the pricing and pricing practices analysis of the products examined or tested.

Price indications :

- **18559** products were examined.
- **756** did not exhibit a price indication.
 - **4.1%** of total products examined.

Unit price indications:

- **5803** products were examined.
- **377** were found to be incorrect.
 - **6.5%** of total products examined.
- **163** had no unit price displayed.
 - **43.2%** of non-compliant unit price indications.
- **214** were incorrectly calculated.
 - **56.8%** of non-compliant unit price indications.
 - **190** of these were to the detriment of the consumer (**88.8%**).

Price charged at point of sale:

- **5675** products were tested at the point of sale.
- **211** were found to be incorrectly charged at checkout.
 - **3.7%** of total products tested.
- **150** of these were to the detriment of the consumer.
 - **71.1%** of incorrectly priced goods.

Reasons provided by supermarket managers at the time of visit.

- Staff shortages and absences
- Human error/oversight, lack of staff awareness around legal requirements, agency staff and/or new employees.
- Offers that had expired and shelf edge labels had not been changed to reflect the new price.
- Speed and volume of price changes.
- Not provided with correct labels.
- No explanation given.
- Responsibility lies with the Head Office. No control over price changes.
- Operational constraints, for example printing of shelf edge labels cannot commence until a designated time, in some cases as late as 10:00am. As a result, there is a possibility of price discrepancies during the first hour of the store's opening at 9:00am.
- Managers advised where customers bring price-related issues to their attention refunds are given.

Convenience stores (this is a mix of independent shops and small/medium branch stores)

A total of 228 visits were carried out, comprising of both independent and chained small to medium-sized businesses. The subsequent statistics outline the key findings pertaining to the pricing and pricing practices of the products examined or tested.

Price indications:

- **13195** products were examined.
- **1889** did not exhibit a price indication.
 - **14.3%** of total products examined.

Unit price indications*

- **1563** products were examined.
- **135** were found to be incorrect.
 - **8.6%** of total products examined.
- **55** had no unit price displayed.
 - **40.7%** non-compliant price indications.
- **80** were incorrectly calculated.
 - **59.3%** of non-compliant price indications.
 - **60** of these were to the detriment of the consumer (**75%**).

* **Note** – shops with a retail area of <280 m² do not need to display a unit price

Price charged at point of sale:

- **3804** products were tested at the point of sale.
- **369** were found to be incorrectly charged at checkout.
 - **9.7%** of total products tested.
- **266** of these were to the detriment of the consumer.
 - **75%** of incorrectly priced goods.

Reasons provided by owners/managers.

- Rapid changes in price resulting in staff difficulties keeping pace with price changes.
- Offers that had expired and the corresponding shelf edge labels had not been updated to reflect the new pricing information.
- Failed to replace labels when prices change.
- Human error/oversight, lack of staff awareness around legal requirements
- In the process of price changes
- Responsibility lies with the Head Office. No control over price changes.

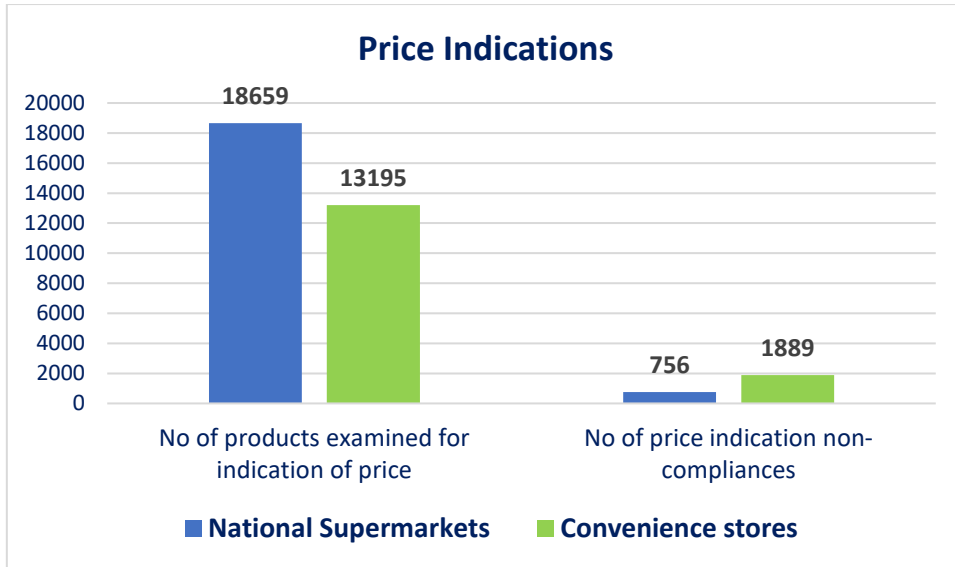


Fig 1

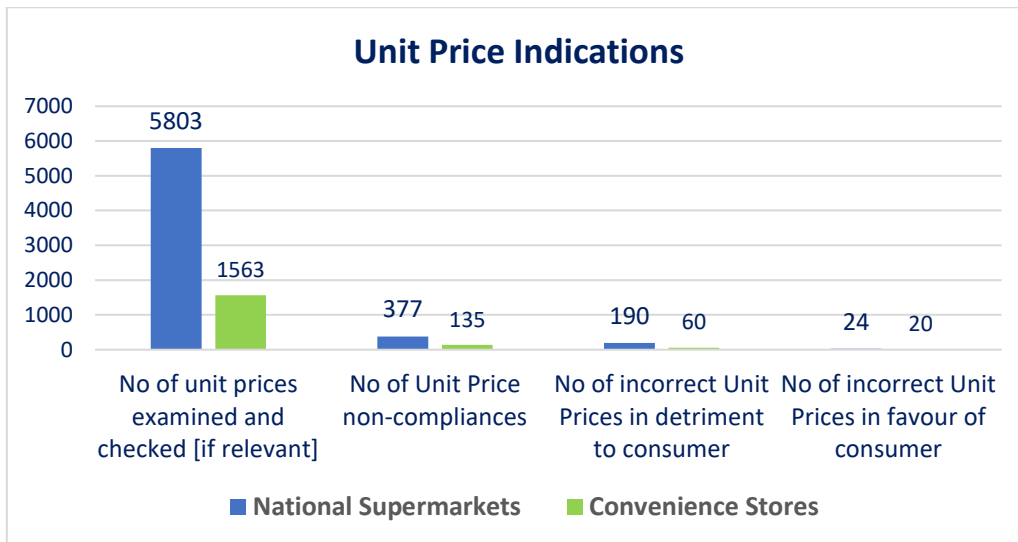
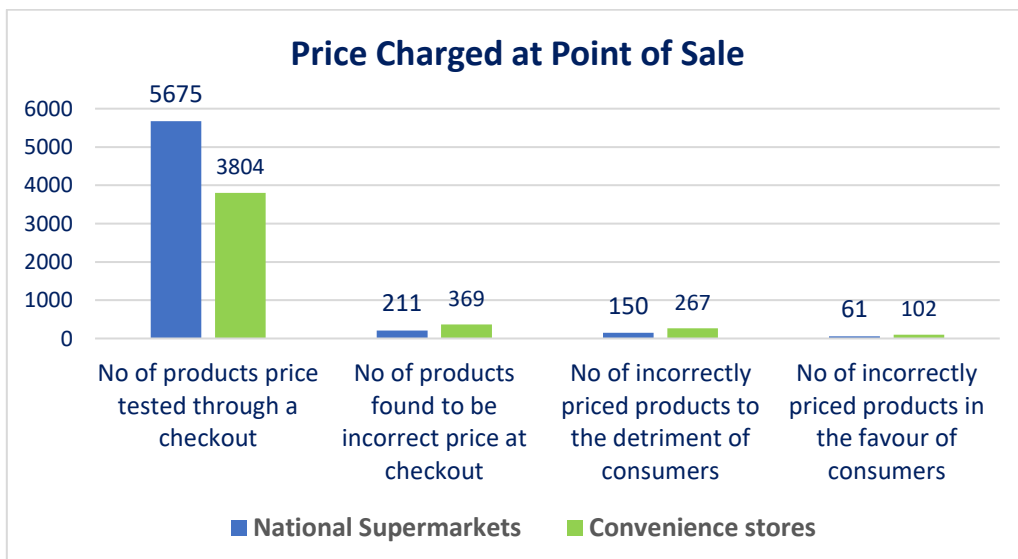


Fig 2



Action taken:

- Issues resolved at the time.
- Advisory letters issued.
- Verbal warnings and advice given.
- Revisits to take place or have been done.
- Reporting findings/issues to Primary Authority
- Warning letters issued.

The absence of price indications in both supermarkets and convenience stores indicates that pricing information was not readily available to consumers. This can potentially create issues since consumers rely on accurate pricing information to make well-informed purchasing decisions.

The analysis of incorrect unit pricing revealed that when pricing indications were not compliant, consumers were more often at a disadvantage and would have overpaid for the product. Furthermore, the project findings showed that during the point of sale, around 70% of instances where prices were higher than they should have been, resulted in consumers being unfairly charged more.

Overall, these statistics highlight there were issues with pricing and pricing practices in the examined products, which can lead to consumer detriment, erode trust in the businesses concerned and is not in line with creating a fair trading environment.

Recommendations

The project findings shed light on several concerns that affect both national and independent retail shops. The recommendations outlined below stem from the outcomes of the project.

- A subsequent project that focusses on convenience stores is recommended, given the substantial gap in price indication compliance between national retailers (4%) and convenience shops (14%). Particular emphasis should be given to missing price indications and prices charged at the point of sale.
- Two local authorities noted discrepancies in unit prices displayed among branded products of the same type, leading to challenges in making accurate product comparisons for optimal value. Further investigation is recommended to ensure consistency and transparency for consumers across brand ranges.
- Based on the project outcomes, it is recommended that local authorities carry out re-visits where appropriate.
- Unit pricing emerged as a significant concern, with the identified issues indicating the need for further work to investigate this particular area.
- Local authorities should continue to report issues to the appropriate Primary Authority so issues can be addressed.

- It is recommended that the need for Assured Advice relating to pricing under the Primary Authority scheme be evaluated.
- A review should be conducted to assess how Local Authorities are receiving and managing pricing-related complaints.

Legislation and guidance

- The Consumer Protection from Unfair Trading Regulations 2008 - [The Consumer Protection from Unfair Trading Regulations 2008 \(legislation.gov.uk\)](#)
- Business companion CPRs guidance - [Consumer protection from unfair trading | Business Companion](#)
- The Price Marking Order 2004 - [The Price Marking Order 2004 \(legislation.gov.uk\)](#)
- [Business companion – Providing Price Information](#)
- [Guidance for Traders on Pricing Practices \(businesscompanion.info\)](#) – CTSI Guidance for Traders on pricing practices (2018)

Project Participants

Aberdeen City Council Trading Standards
Angus Council Trading Standards
Argyll & Bute Council Trading Standards
City of Edinburgh Council Trading Standards
Comhairle nan Eilean Siar
Dumfries & Galloway Council Trading Standards
Dundee Council Trading Standards
East Dunbartonshire Council Trading Standards
East Lothian Council Trading Standards
East Renfrewshire Council Trading Standards
Falkirk Council Trading Standards
Fife Council Trading Standards
Glasgow Council Trading Standards
North Ayrshire Council Trading Standards
North Lanarkshire Council Trading Standards
Orkney Island Council Trading Standards
Renfrewshire Council Trading Standards
Scottish Borders Council Trading Standards
South Ayrshire Council Trading Standards
South Lanarkshire Council Trading Standards
West Dunbartonshire Trading Standards
The Highland Council Trading Standards
The Moray Council Trading Standards

Press Contact

SCOTSS National Coordinator – Ken Daly coordinator@scotss.org.uk, 07720538349
@socotss, www.scotss.org

APPENDIX 1

Examples of issues - Supermarkets

Examples of incorrect price marking

Product	Price Indication (£)	Price charged at point of sale (£)
Toilet Blocks Pine 8 pack	1.29	1.50
Walkers Sensation crisps	1.50	2.25
Spot on dog calming	5.00	6.25
25 pack All Purpose paint brushes	3.45	4.99
Kiwi shoe polish	2.50	2.04
Lifebuoy hand sanitiser	0.58	0.29p
Ciabatta	1.00	1.25
Melons	1.00 (41% off offer)	1.69
Red Cola 500ml	RRP 99p SEL 1.00	1.00
Persil	11.00	13.50
Own brand bacon rashers	1.25	1.15
Cow & Gate porridge	1.75	2.50

Examples of incorrect/issues unit prices

Product	Observation
Sure women's deodorant	unit prices a mixture of ml, l, per item across same range but different scents
Dettol wipes	Some priced per sheet, others per 100 sheets
Tortellini 250g	Price indication 75p Unit price given as 23p per 100g
Cadburys Dairy Milk 95g	unit price indicated at £1.05 per 100g
Jalopy Sour Cherry 150g,	price £1, stated unit price 62.5p per 100g
Vimto Fizzy Pencils 160g	price £1, stated unit price 44.4p per 100g
Bachelors Cup A Soup Chicken 3 pack 56g	price £1.50, stated unit price 16.7p per 10g
Malteaser cake bar	£1.65 and the unit price was 24p per 75cl (cl wrong unit)
Ye Olde Oak Hot Dogs 6 pieces 400g net with 200g drained wgt	Unit price given was £3.63 per kg price £1.45 - unit price should be drained weight and per 100g

Bishops Rhubarb & Custard 150g	price £1, stated unit price 47.6p per 100g
Tempura Chicken Nuggets	No weight marked/no price per unit
Savers Potatoes in water 39p. 540g or 345g drained weight	Unit price stated as £1.08 per kg

APPENDIX 2 Examples of issues – Convenience Stores

Examples of incorrect price marking

Product	Price Indication (£)	Price charged at point of sale (£)
Lion chocolate bar	0.60	0.75
Fairfield Chilli Sea Salt crisps	0.95	1.49
Golden Wonder crisps	0.59	0.69
Glade air freshener	1.12	1.45
Silvikrin Hair Spray	2.89	3.55
Gillette shaving gel	1.75	1.50
Yazoo chocolate milkshake	1.15	2.00
Bisto gravy	1.50	1.89
Yorkshire teabags	2.99	3.29
Doritos	1.00	1.29
Heinz Baked Beans	0.85	0.89
Super noodles	1.19	1.09

Examples of incorrect/issues unit prices

Product	Observation
Own brand Light Soy Sauce	No unit price, located beside branded products that did
Heinz Oxtail Soup 400g	Price £1.50 and stated unit price 87.5p per 100ml
Batchelors Pasta 'N' Sauce 65g	Price 80p and stated unit price £1.23 per kg
Fairy Original 433ml	Price £1.29 and stated unit price 29.8p per 100ml but bottles on display were 383ml
Jacks fresh Linen fabric conditioner 1lt	Price £1.19 and stated unit price £1.19 per 1lt but bottles on display were 750ml
Lynx Black 150ml	Price £3.00 and stated unit price £2.00 per 100ml but bottles on display were 200ml
Ambrosia Custard 450g	Unit price per kg and not per 100g
Red Bull 4 x 250ml	Price £4.89 and stated unit price £4.51 per litre
5 pack Penguin bars	Price £1 and stated unit price £20.00 per bar should be 20p per bar

Pataks Korma Sauce 450g	Price £1.75 and stated unit price £3.50 per kg
Birds Trifle Kit 141g	Price £1.50 and stated unit Price £10.34 per kg [should be £10.64 per kg]