Scanning
Code of PRACTICE
for computerised checkout systems in Independent Supermarkets

MASTER GROCERS AUSTRALIA
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1. Objectives of the Code

The Code aims to ensure:

- Best practice in the use of computerised checkout systems to ensure price accuracy;
- Fair compensation to customers in the event of a scanning error; and
- Effective dispute resolution where there is a dispute between a retailer and a customer due to a scanning error.

Independent retailers who subscribe to this Code, do so on an voluntary basis and they will endeavour to promote and utilise the Code in order to increase industry and consumer awareness of the Code, reduce complaints where possible and bring any disputes to a swift and amicable conclusion.
2. Definitions

“Computerised Checkout system” means a price scanning system which is used in supermarkets for the purpose of performing checkout operations. It includes components such as an in-store computer, check stand terminals and a support scanner which can read bar codes and related files.

“Group Buy” occurs when a minimum number of multiple items, which carry the same barcode, are purchased at a discount price.

“Item Price File” means the active stocked list of coded products with the customer charge price.

“Independent Supermarkets” means independently operated supermarkets who voluntarily support the Code.

“Liquor Products” means any alcoholic beverage that is sold under a liquor license held by the retailer.

“Operator” means a checkout operator who is in use of a computerised scanning system.

“Operator Error” refers to an error that occurs when the checkout operator keys in the wrong PLU number or identifies the wrong product.

“PLU Number” means the Price Look Up Number, which is the numerical code that identifies items that do not carry a barcode.


“Shelf Label” means the label or sign which shows the price of an item and is placed on display in the place where the product is displayed for sale.

“Shelf Price” is the price of an item that appears on a shelf label.

“Sticker Priced Item” means an item that does not have a barcode or PLU number, but carries a price sticker on the item itself which must be keyed in by the operator. Such items may also be referred to as “item priced”.

“Stores” means Independent Supermarkets including Supa IGA, Foodland IGA, IGA, IGA Express, FoodWorks and Friendly Grocers.

“Tobacco Products” means any tobacco, cigarette, cigar or any other tobacco product that may be sold to the public.
3. Retailer and Consumer Information

3.1 Application of the Code

This Code is applicable to retailers who operate Independent Supermarkets.

The Code applies to the following merchandise:

- Items carrying a barcode. This includes items where the barcode is scanned, and where the numerals contained in the barcode are keyed in by an operator.
- Items that do not carry a barcode but carry a PLU number.
- Items which have been marked down for sale and the shelf price is to be regarded as the price which appears on the item.

The Code does not apply to the following merchandise:

- Liquor products
- Tobacco products
- Sticker priced items

3.2 Customer entitlements

A customer shall be entitled to redress under clause 4 of the Code where a scanning error has occurred. Provided that if a customer removes, alters or otherwise interferes with a shelf price, group buy ticket or barcode, the customer shall not be entitled to such redress.

A scanning error shall be deemed to have occurred in the following circumstances:

(a) when an item has been scanned and the checkout system displays a higher price for that item than the shelf price;

(b) when the correct PLU number keyed in by the operator and the checkout system displays a higher price for that item than the shelf price;

(c) in the case of Group Buy items, when all items in a Group Buy have been scanned, and a higher price than the ticketed Group Buy price is registered.

The entitlements of a customer in the case of a scanning error will apply regardless of whether the purchase has been completed or not.

A scanning error does not include operator errors. An operator error occurs when an operator keys in the wrong PLU number or identifies the wrong product. In this circumstance, the consumer is not entitled to redress under clause 4 of the Code.
4. Policies for Scanning Errors

The following policies shall apply in the event of a scanning error.

4.1 The Item Free Policy

Where a customer makes a valid claim that an item has scanned at a higher price than the shelf price, the following shall apply:

(a) If the shelf price of the item is $20 or less, the customer will be entitled to the item free of charge; or

(b) if the shelf price of the item is higher than $20, the customer will be entitled to purchase the item at the shelf price, with a discount of $20.

4.2 The Multiple Purchases Policy

Where multiple items which carry identical barcodes or PLU numbers scan at a higher price than the shelf price, the following shall apply:

(a) If the shelf price of the item is $20 or less, the customer will be entitled to the first item free of charge, and the remaining relevant items at the correct shelf price.

(b) If the shelf price of the item is higher than $20, the customer will be entitled to the first item at the shelf price with a discount of $20, and the remaining relevant items at the correct shelf price.

Where multiple pre-packed items of the same product have a set price per kilo, and no identical barcode, scan at a higher price than the shelf price, the customer will be entitled to the first pack free of charge, and the remaining packs at the shelf price.

4.3 The Group Buy Policy

Where a scanning error occurs in relation to Group Buy items, the following shall apply:

(a) If the shelf price of the item is $20 or less, the customer will be entitled to the first item in the group free of charge, and the remaining items in the group at the lower price per item applicable under the Group Buy price.

(b) If the shelf price of the item is more than $20, the customer will be entitled to the first item at the lower price per item applicable under the Group Buy price with a $20 discount, and the remaining items in the group at the lower price per item applicable under the Group Buy Price.
5. Retailer Obligations

5.1 Application of the Code

The retailer will recognise and appreciate the objectives of the Code and will maintain the highest standards of ethical behaviour in applying the Code.

The retailer will promote customer awareness of the Code, and will display a sign in the store to advise the public of the existence of the Code. Such signs shall be clearly visible to customers who are standing at the checkout.

The retailer shall ensure that checkout operators and supervising staff are familiar with the Code and that they have access to a copy of the Code.

The retailer will have supplies of information about the Code and will supply such information to customers on request.

The retailer must keep at least one full copy of the Code which is available to a customer on request.

5.2 Managing Computerised Checkout Systems

The retailer will ensure that the interests of the customers are protected by developing procedures which provide for the accuracy of computerised checkout systems.

Any price discrepancies caused by the use of a computerised checkout system will be remedied immediately.

5.3 Shelf Labels

Shelf labels must be displayed clearly for each item in the store, except where an item is individually priced or is pre-packed and the barcode displays both the price per kilo and the price of the actual item.

5.4 Reduced Stock Items

If part of a stock line is reduced in price, but stock with the same barcode remains on sale at the shelf price, the retailer can use one of the following three methods:

(a) The bar code of the reduced stock must be marked or altered in such a way that it cannot be read by the checkout scanner. The numerals of the barcode must remain intact and readable. The item must be then individually priced and marked in such a way as to direct the attention of the operator to the fact that it is marked down.
OR

(b) The checkout scanning system must be programmed in a way that prevents the scanning of the items with that barcode until the price has been confirmed or keyed manually.

OR

(c) The item should be marked with a special “marked down” or “reduced to clear” adhesive label.

For fresh packaged food, such label should be placed on the top surface, as close as possible to the original price label, but not covering any part of this label.
6. Pricing

The retailer must ensure that:

• The customer is not charged more than the price displayed on the shelf label or other displayed prices;
• Appropriate staff are able to effect and verify price changes as required; and
• When possible, price changes occur outside normal trading hours.

6.1 Price Amendments

If a price is amended during trading hours, the following shall apply:

(a) If the price is increasing, the new shelf label must be displayed at least one hour before the item price file is amended. If a customer is aware of the lower price and passes through the checkout within the hour of expiry of the lower price, they shall, on request, be charged at the lower price for the item.

(b) If the price is decreasing, the item price file must be amended before the new shelf label is displayed.

6.2 Correcting pricing errors

When the retailer becomes aware of a price error, the item price file and shelf label shall be amended as required to be consistent, in accordance with the procedures in 6.1.

6.3 Rounding Guidelines

Because pricing is not always to the nearest 5c, stores should follow the following guideline to ensure that prices remain fair and accurate when they are required to be rounded up or down.

The following rounding guidelines should be followed for cash transactions:

• 1 & 2 cents – rounded DOWN to the nearest 10
• 3 & 4 cents – rounded UP to the nearest 5
• 6 & 7 cents – rounded DOWN to the nearest 5
• 8 & 9 cents – rounded UP to the nearest 10

Rounding is not necessary where the customer pays by cheque, credit card or EFTPOS. Rounding on these forms of transactions may constitute a breach of the Trade Practices Act.
7. At the Checkout and Keeping Records

7.1 Scanning items

A customer must be able to view the scanning operation at all times.

The checkout system must make an audible noise signifying that the item was scanned. The system must also display a description and price for each item and be able to issue a receipt.

7.2 Receipts

Receipts provided to customers must:

• Comply with all federal, state and local government laws;
• Be in plain English and legible;
• Except where the price is entered manually, contain a description of the item;
• Contain the price charged for each item;
• Contain the total purchase price for all items;
• Contain the name of the business, including location of the store, and a site specific code identifying the store such as a store number;
• Contain the date of purchase; and
• Contain the transaction or register number.

The item description must:

• Explain the item in a meaningful way; and
• Wherever possible, contain the unit of measurement or size; and
• Only use abbreviations that are meaningful to the customer.

7.3 Keeping Records

Documents supporting price change details must be retained for at least one month at either the store or the appropriate State/National Office.

Customer complaints and dispute resolution documents from the store must be recorded and kept for at least one year.

Retailers must also keep records of actions taken to address any issues that have been documented in the previous year.
8. Customer Grievances

If a customer has concerns which are covered by the Code, retailers will ensure that those concerns will be addressed seriously and in a timely manner.

8.1 Receiving a Complaint

Customer complaints must initially be referred to the store manager or supervisor. The grievance should be addressed and a resolution attempted at store level.

If a resolution cannot be reached, the customer must be told of the dispute resolution procedures available under the Code.

A customer complaint form and a reply-paid envelope may be provided to the aggrieved customer. Alternatively, the retailer may lodge a written complaint on behalf of the customer, or the retailer may refer the customer to MGA.

8.2 Dispute Resolution

In the event of a dispute the Executive Director of the MGA will initially endeavor to resolve the dispute between the customer and the retailer. If a matter cannot be resolved by a conciliation process then a Dispute Resolution Committee (the Committee) will be formed. The MGA Executive Director (or delegate) will chair the Committee, consisting of three people, unless otherwise agreed upon by the Committee.

The Committee may include a representative of an interested State or Territorial government department or agency and a person representative of consumers.

The standard for candidates includes, but is not limited to:

- The knowledge of the candidate;
- The ability to be objective;
- Use of sound negotiation skills;
- The ability to exercise sound and fair judgment;
- Capacity to thoroughly examine the issues of concern; and
- Being supportive of the industry, whether through a consumer/community/public interest group or from the association.

The Committee may invite appropriate consumer representative organisations to nominate at least three suitable candidates. If this nomination is not made within a reasonable time of the request, MGA will choose an appropriate consumer representative.

Any out of pocket expenses incurred by members of the Committee will be paid by MGA.
9. External Resolution of a Complaint

Where the customer’s grievance can not be resolved after it has been referred to MGA, MGA will raise the concern with the head office of the brand retailer’s management/wholesaler of the store, which is the subject of the grievance.

MGA may attempt to resolve the matter by utilising a mediation process which may lead to a swift resolution of the issues in dispute. A mediator will be appointed to deal with the matter.

9.1 Hearing

If the concern remains unresolved, and the customer wishes to proceed with the complaint then a Committee will be established in the relevant State or Territory to hear the complaint.

Procedures to be followed in hearing the grievance will be at the Committees discretion, however the Committee shall:

• Provide natural justice to the parties;

• Provide each party with full disclosure of information concerning the issue in dispute;

• Provide each party a copy of documents involved;

• Provide each party with a reasonable opportunity to place arguments prior to a decision being reached; and

• Reach a decision within 28 days of the date of receipt of the complaint (by the Committee). If a decision cannot be reached, the Chairman of the Committee will notify the parties involved within 7 days of the expiry of the decision-making period giving reasons for the delay.

The Executive Director of MGA will issue a written notification of the outcome of the investigation and available avenues for appeal to both the customer and the management of the store which is the subject of the complaint.

9.2 Appeal Procedures

Once written notification of the outcome of a decision made under clause 10.1 is given to the parties, the parties will be entitled to appeal the decision for a period of 28 days from the date of the letter.
Either party may make a written request to the Executive Director of MGA that the matter is completely reheard by an independent arbiter. The Executive Director will then select an arbiter that is acceptable to the parties.

The appeal procedures are at the discretion of the arbiter, but the arbiter must:

• Provide natural justice to the parties;
• Provide each party with full disclosure of information concerning the issue in dispute;
• Provide each party a copy of documents involved;
• Provide each party with a reasonable opportunity to place arguments prior to a decision being reached; and
• Reach a decision as soon as practicable, within 28 days of their appointment to hear the appeal.

The arbiter must make a written report of their findings and decision to the Executive Director of MGA, within 7 days of the decision being made.

The Executive Director of MGA will notify the parties of the findings and the decision will be final.

9.3 Remedial Action

The decision of the Committee, and the remedial action recommended, will be provided in writing to the retailer by the Chairman of the Committee.

If the retailer fails to comply with the recommendations of the Committee within the specified period of time or if an appeal fails, the Executive Director of MGA will issue a warning to the retailer that they are in breach of the Code and request the remedial action set out be undertaken within 28 days.

If the retailer fails to undertake the remedial action within the specified period after a warning is issued, notification of the warning will be published in the next available edition of MGA’s newsletter to retailers.

Where the retailer refuses to take remedial action or to comply voluntarily with the Code when requested by the Executive Director of MGA, the Committee shall recommend to the
MGA Board one of the following:

- the retailer be excluded from membership of MGA;
- notice of the expulsion be stated in the MGA newsletter;
- the reason for expulsion be also published;

Where the MGA Board receives the above recommendations the retailer shall be given 14 days to show why such action should not be taken.

If the retailer cannot satisfy the MGA Board that the recommendations should not be taken, the Board will take such action as is necessary to implement the recommendations and the retailer shall be levied for any costs involved.
MGA will be responsible for maintaining the Code and ensuring that it is up to date.

Amendments to the Code will only be made after an appropriate inquiry and after consultation with retailers. Any recommendations from an inquiry must be voted on and approved, by simple majority, by the MGA Board.

MGA will retain a record of all formal complaints under the Code and the outcomes of such complaints.

MGA records will include:

- Number of complaints made to the Committee;
- Details of the complainant and the retailer involved in the dispute;
- The nature of the complaint;
- The time taken to deal with the complaint;
- The type of sanction imposed;
- The number of decisions appealed; and
- The outcome of decisions appealed.

The Executive Director of MGA will report to the Independent Supermarkets annually on the operation of the Code, including a summary of formal complaints received and subsequent action of MGA, the Committee and arbitrators to resolve, or rule on, the disputes. This report will be published on MGA's website.