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TRADING STANDARDS SERVICE

NOTES FOR GUIDANCE

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Retail Scanning

Legal Obligations

The Price Marking Order 2004 requires the selling price and, where relevant, the unit price of goods offered for sale to consumers to be indicated clearly and unambiguously.

The Consumer Protection from Unfair Trading Regulations 2008 prohibit, among other things, any commercial practice which contains false information or which deceives or is likely to deceive the average consumer in relation to the price of a product. In other words, you must ensure that your price indications are accurate and not in any way misleading to consumers.

Pricing and Shelf-Edge Labels

In a scanning store, price indications must be provided for customers, stating the prices which will be charged.

- (a) The majority of items will not be individually priced. In these cases, price indications will be given on shelf-edge labels or an appropriate alternative, but the price charged to the customer when the item is scanned (obtained from the Price Look Up [PLU] file on the computer) must equate to this shelf-edge price indication.
- (b) Some items may be individually priced by means of a source-marked price or an attached price. Under these circumstances, the price charged to the customer must equate to this item price indication, unless a shelf-edge price indicates a lower price in which case this lower shelf-edge price must be charged.

Shelf-edge labels must be accurate, detailing both the item and the price which will be charged.

- (a) The content of each shelf-edge label must be clear and unambiguous, with the information for the customer bold and precise. Item description and size / weight should be given in addition to price. This is necessary because a shelf-edge label may inadvertently not relate to the items immediately behind it, for example where items have been misplaced by staff or customers. The largest feasible characters should be used for the benefit of the elderly and the visually impaired, with item description, size/weight and price given prominence.

- (b) Each shelf-edge label should be firmly fixed in an appropriate position adjacent to the item to which it relates; this may be achieved by a suitable shelf-edge design, the use of an appropriate adhesive or the use of tags which are not easily moveable. The labels should be as durable and resistant to damage as is practicable. If a particular item is out of stock, leaving a gap on the shelf, the space should not be filled with another item unless the shelf-edge label is changed in advance.

If the size of an item or its method of display make it impossible to display a shelf-edge label or other price indication which can be clearly related to that item, then the item itself should be price marked.

- (c) The price on shelf-edge labels must be accurate. Procedures are necessary for the production, positioning, changing and regular checking of shelf-edge labels.

The production of labels from equipment driven by data from the store or head office system is seen by many retailers as an appropriate method for ensuring accuracy.

The positioning and changing of labels should be the subject of defined and monitored procedures.

The checking of labels is necessary, as even with efficient production, positioning and changing systems manual errors may occur and labels may be moved or removed. Clearly defined procedures for the regular checking of shelf-edge labels are therefore necessary. Labels may be checked manually or, where justified, by portable computers loaded with, or in communication with, the file of current prices held in the store computer.

Specific attention should be paid to vulnerable areas where experience has shown that pricing errors are most likely to occur.

- (a) Shelf-edge labels and other promotional material for items which are, or have recently been, subject to price reductions.
- (b) Local prices for items where store management can override centrally communicated prices.
- (c) Items with source-marked or attached prices, where the computer price **must** reflect the lowest marked price of the item on display.
- (d) Multipacks, particularly the 'Hi-cone' type, provide substantial opportunity for errors, as customers splitting multipacks into single items, or picking up a single item left over from a spilt multipack, may be charged the full price of the multipack. 'Hi cone' packs, because of the differing ways they can be handled and the potential problems caused by customers splitting packs, are not ideally suited to a scanning environment, and particular care should be taken if they are used. Retailers may choose to handle 'hi-cone' packs in one of the following ways.
 - (i) The individual item symbol identifies the multipack. Split multipacks can be treated as exceptions and dealt with accordingly.

- (ii) The individual item symbol identifies the single item, and the checkout operator is prompted to enter the number of items bought. Discounts for multiple purchases may be programmed into the EPOS system.
- (iii) The individual item symbol identifies the single item, and all items in the multipack are scanned.

In the event of any price error, information identifying the cause of the error may be required by officers from the Trading Standards Service. **Scanning systems should record all price changes implemented, together with dates and times, for error identification and audit purposes.**

Price Increases

- (a) Increases should not be applied during trading hours, unless there are exceptional conditions. These could include the correction of a genuine mistake, abnormal circumstances on a particular trading day, or situations where trading hours make this impossible.
- (b) Increases implemented outwith trading hours should be subject to procedures which ensure that shelf-edge prices and computer prices are in line at the start of the trading day.
- (c) Increases implemented during trading hours must ensure that shelf-edge price increases precede computer file increases with an appropriate delay. This will ensure that the customer is not charged a higher price than that indicated when the customer selected the item.
- (d) Computer file price increases must be authorised within the store. Procedures must ensure that the computer file price increases, whether transmitted from a central computer or applied locally, cannot occur unless positive acknowledgement has been provided by an authorised person.
- (e) Notification and adequate notice should be provided of price increases by central management, where applicable, to ensure that price management at store level can be carried out effectively.

Price Decreases

- (a) Decreases may be applied at any time, though they are best implemented, where possible, outwith trading hours.
- (b) Decreases implemented outwith trading hours should be subject to procedures which ensure that shelf-edge prices and computer prices are in line at the start of the trading day.
- (c) Decreases implemented during trading hours must ensure that computer file decreases precede shelf-edge price decreases. This will ensure that the customer is not charged a higher price than that indicated when the customer selected the item.

- (d) Computer file price decreases must be authorised within the store. In particular when price decreases are communicated to the store from a head office or other remote computer, these changes must only become active in the store if a positive acknowledgement is given from store level.
- (e) Notification and adequate notice should be provided of price decreases by central management, where applicable, to ensure that price management at store level can be carried out effectively.

Promotions

Specific attention is required at the commencement and end of a promotion, when price changes occur.

- (a) Promotional material such as posters, leaflets, point of sale advertising and any media advertising, as well as shelf-edge labels, must be in line with the computer file price.
- (b) The start of the promotion should follow the guidelines provided on **Price Decreases**. In particular, shelf-edge labels and promotional material must not be in place if the item's promotional price is not activated in the computer file.
- (c) The end of the promotion should follow the guidelines provided on **Price Increases**. In particular, shelf-edge labels and promotional material must be removed before the computer file price is returned to the item's normal price.
- (d) Multiple purchase promotions which include more than one item should be checked to ensure that all relevant codes are correctly included and are in line with all promotional literature.
- (e) Adhesive labels applied to individual items for price decreases (e.g. damaged and outdated stock) should be positioned to ensure that the 'normal' price of the item is not charged from the computer price file. Some retailers have found that partially obscuring the bar code with an adhesive label indicating the reduced price is an appropriate method.
- (f) Money-off coupons and vouchers may include a scannable bar code. Where this applies, the system should be checked to ensure that all such vouchers provide the appropriate price reduction.

Customer Relations

- (a) Customer information should be provided at the point of purchase by means of a customer display and a printed receipt. Both should give details of the description and price of each item.

The customer display should be positioned in such a manner as to assist the customer in checking the accuracy of each recorded sale.

The description should be sufficient to identify the item, as specifically as possible (avoiding general descriptions such as 'grocery'), abbreviated in a consistent manner and similar to shelf-edge label descriptions. The length of the description will depend upon the equipment in use, but it should identify the item, brand and size (in that order of priority if space is limited). The receipt should indicate quantities of multiple purchases, items sold by weight and any credits such as voids or coupons.

- (b) Customer complaints procedures should be defined in relation to any errors identified in scanning stores. These procedures will be within the general framework of a retailer's customer service policy. However, they should recognise that errors can still occur and should seek to deal promptly and positively with any complaints, resolving as many as possible at the time they are raised. In addition, a formal record of errors should be kept such that:
- (i) any necessary corrective action is taken and monitored in the store;
 - (ii) any necessary communication to head office is made where similar corrective action is required in other stores; and
 - (iii) any general sources of error and trends in error rates can be identified to reduce the incidence of error.

What are the consequences of non-compliance?

Failure to comply with the Price Marking Order 2004 is a criminal offence, for which the maximum penalty on conviction is an unlimited fine. Enforcers may also take civil enforcement action under the Enterprise Act 2002.

Failure to comply with the Consumer Protection from Unfair Trading Regulations 2008 is a criminal offence. The maximum penalty on conviction is an unlimited fine and / or two years imprisonment. Enforcers may also take civil enforcement action under the Enterprise Act 2002.

Who can provide further information, advice and guidance?

Further information about scanning, bar codes and the use of EPOS systems can be obtained from GS1 UK, a not for profit organisation helping members to implement GS1 standards through the use of bar codes, radio frequency identification (RFID) and similar technologies.

GS1 UK, Staple Court, 11 Staple Inn Buildings, London WC1V 7QH.

Tel: 020 7092 3500

Fax: 020 7681 2290

Web: www.gs1uk.org

For further guidance on your legal obligations, please contact the Trading Standards Service.

This is not an authoritative document on the law and is only intended for guidance.

For a copy of this document on audio cassette, in large print or Braille, or if you require assistance in reading this, please contact the Council's Policy Unit.

Shetland Islands Council Policy Unit
Town Hall, Hillhead, Lerwick, Shetland ZE1 0HB

Tel: 01595 744537

Email: policy@shetland.gov.uk

This document is also available at www.shetland.gov.uk/tradingstandards

Do you require the services of an interpreter?

If you do, please contact **01595 744537** for assistance.

We will provide an interpreter, or we can supply the document in your choice of language.

你是否需要傳譯服務?

如果需要，請致電 01595 744537 尋求幫助。

我們會適當地為你安排傳譯人員或者提供你需要文字的文件。

ਕੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਇੰਟਰਪਰੈਟਰ (ਤੁਰਾਸੀਆ) ਦੀਆਂ ਸੇਵਾਵਾਂ ਦੀ ਲੋੜ ਹੈ?

ਜੇਕਰ ਤੁਹਾਨੂੰ ਲੋੜ ਹੈ ਤਾਂ ਕ੍ਰਿਪਾ ਕਰਕੇ ਸਹਾਇਤਾ ਲਈ 01595 744537 ਤੇ ਸੰਪਰਕ ਕਰੋ।

ਜਿਥੇ ਸੰਭਵ ਹੈ ਸਕਿਆ ਇੰਟਰਪਰੈਟਰ ਉਪਲਬਧ ਕਰਵਾਇਆ ਜਾਵੇਗਾ ਜਾਂ ਤੁਹਾਡੀ ਪਸੰਦ ਵਾਲੀ ਭਾਸ਼ਾ ਵਿਚ ਦਸਤਾਵੇਜ਼ ਭੇਜਿਆ ਜਾਵੇਗਾ।

আপনি কি একজন দোভাষীর সাহায্য চান ?

যদি আপনার প্রয়োজন থাকে তাহলে অনুগ্রহ করে যোগাযোগ করুন -01595 744537
যেখানে সম্ভব সেখানে একজন দোভাষীর ব্যবস্থা করা হবে অথবা আপনি যে ভাষাতে চা
দলীলটি অনুবাদ করে আপনাকে প্রদান করা হবে।

کیا آپ کو انٹریٹریٹری کی ضرورت ہے؟

اگر ایسا ہے تو پھر (انٹریٹریٹری) مدد حاصل کرنے کیلئے فون نمبر 01595 744537 پر بات کریں۔

جہاں ممکن ہو اوہاں انٹریٹریٹری سہولت فراہم کی جائے گی یا پھر (مطلوبہ) دستہ دیز کاترجمہ آپ کی

پسندیدہ زبان میں فراہم کیا جائے گا۔