

7 August 2024

Pierre van Heerden  
Grocery Commissioner  
Commerce Commission  
55 Shortland Street, Auckland

**By email: [grocery.regulation@comcom.govt.nz](mailto:grocery.regulation@comcom.govt.nz)**

Dear Pierre,

### **Price Integrity – refund policies and customer complaint tracking systems**

- 1 We refer to your letter dated 24 July 2024 about price integrity (being advertised price matching point of sale charge), customer refund policies and customer complaint tracking systems.
- 2 Our strategy puts customers at the heart of everything we do, and we remain committed to positive outcomes for customers.
- 3 Currently, Foodstuffs South Island (FSSI) has two main mechanisms in place in relation to price integrity:
  - 3.1 The FSSI Price Integrity dashboard – this digital dashboard proactively reviews pricing and promotions on a daily basis to identify 100% compliance relating to advertised price and point of sale. It checks over 120,000 articles each day across all of our New World, Pak'nSave and Four Square stores. Any potential issues are promptly resolved by our Digital Services team.
  - 3.2 Refund policy – Where a customer is charged more than the advertised price, our current policy is that the customer would be refunded the difference between the shelf/ticket/online price and the price charged.
- 4 However, we note your sentiment and we will engage with our owner-operator members through a formal process to review our refund policy, and they will consider your suggested recommendations as part of that review. We would expect this consultation process to take around two months. We will report back to you on the outcome of the review.
- 5 We also understand your comments about the importance of recording and tracking customer complaints about pricing and promotions as this can show trends and areas for improvement. We already track customer complaints via our Foodstuff South Island Call Centre, and we are now well underway in implementing our customer complaints tracking system for store-level complaints to enable full transparency co-op wide.
- 6 We are concerned about 'blanket claims' being made about price integrity and customer complaints. Our technology around price integrity is robust. If there is a mistake, we will quickly put it right and will always refund customers if they have been overcharged.

Yours sincerely,

**Foodstuffs South Island Limited**



**Mary Devine**  
CEO