Menthol & T&T stock return policies

JTI

**Are you providing a stock swapping out service for menthol stock post 20 May?**

“JTI representatives will exchange Menthol and Capsule stock held by every retailer who our sales reps visit as part of our standard 12 week call cycle. Whilst the current COVID-19 situation is clearly unprecedented, we are determined to continue to support our trade partners through this period of uncertainty. JTI sales representatives are in constant contact with their retailers via phone to advise of the forthcoming Menthol Ban and to remind them to rotate / sell through all non-compliant Track & Trace stock ahead of the May 20th deadline. Should your local JTI representative not be able to visit your store immediately following the Menthol & Capsule Ban on the 20th May 2020, please ensure that you keep the JTI Menthol and Capsule stock that need swapping separate from other stock. For clarification, all retailers will need to supply their JTI rep with both Track & Trace ID codes. As soon as it is safe to do so, your JTI representative will begin visiting again, so please ensure stock has been separated in readiness for their visit. In the meantime, should you require assistance, please either contact your JTI representative by phone, visit our trade website JTI Advance or call the Customer Care Line on 0800 163503.”

**Are you providing a stock swapping out service for non-track and trace stock post 20 May?**

“JTI has agreed to swap all non-Track & Trace Menthol & Capsule stock held by every retailer who our sales reps visit as part of our standard 12 week call cycle, however other non-Track & Trace stock has benefitted from a sell-through period of a year, therefore it is not our intention to swap this stock, however this will be judged on a case by case basis”.

 **Are you providing a buy-back or credit service for menthol stock post 20 May?**

“JTI are not providing a buy-back or credit service for Menthol & Capsule stock post 20 May, however we will be exchanging Menthol & Capsule stock to the value of the MRRP.”

**Are you providing a buy-back or credit service for non-track and trace stock post 20 May?**

See above position on T&T stock swap.

**What are the volume or value limits on the amount of menthol stock retailers can have swapped/bought back/credited for?**

“JTI has agreed to swap non-Track & Trace Menthol & Capsule stock held by every retailer who our sales reps visit as part of our standard 12 week call cycle to the value of the MRRP.”

**What are the volume or value limits on the amount of track and trace stock retailers can have swapped/bought back/credited for?**

See above position on T&T stock swap.

**If you are swapping out non-compliant stock – what type of replacement stock is being offered? (i.e. is it tobacco, vape, other or mixed)**

“JTI has agreed to swap non-Track & Trace Menthol & Capsule stock held by every retailer who our sales reps visit as part of our standard 12 week call cycle. This will be on a like for like basis and apply to tobacco products only.”

**Are there time limits for stores on the return of non-compliant stock?**

“No time limits have been applied to the swapping out of JTI’s Menthol & Capsule stock, however our sales representatives will aim to visit all currently scheduled calls over a 2-3 month period.”

**Without reps being unable to access stores, how do you plan on receiving non-compliant stock and delivering any replacement stock?**

“Whilst the current COVID-19 situation is clearly unprecedented, we are determined to continue to support our trade partners through this period of uncertainty. JTI sales representatives are in constant contact with their retailers via phone to advise of the forthcoming Menthol Ban and to remind them to rotate / sell through all non-compliant Track & Trace stock ahead of the May 20th deadline. Should your local JTI representative not be able to visit your store immediately following the Menthol & Capsule Ban on the 20th May 2020, please ensure that you keep the JTI Menthol and Capsule stock that need swapping separate from other stock.. As soon as it is safe to do so, your JTI representative will begin visiting again, so please ensure stock has been separated in readiness for their visit. In the meantime, should you require assistance, please either contact your JTI representative by phone, visit our trade website JTI Advance or call the Customer Care Line on 0800 163503.”

**Are there any other terms retailers must meet to take part in the above mentioned schemes?**

“There are no restrictions or other terms apart from ensuring stock is clearly separated along with ensuring that all retailers supply their JTI rep with both Track & Trace ID codes.”

 Philip Morris

**Are you providing a stock swapping out service for menthol stock post 20 May?**

 No, but we are encouraging retailers to stock IQOS Menthol, a heated tobacco product, as an alternative for their menthol customers if they aren’t using the ban to quit tobacco or nicotine products completely.  51% of menthol smokers said they would replace menthol cigarettes with IQOS after the ban.\*

\*Based on quantitative research and reactions taken from 216 Legal Age Smokers (LAS) on the menthol ban in the UK. Fieldwork conducted in October 2019. Research commissioned by Philip Morris Limited (PML).

**Are you providing a stock swapping out service for non-track and trace stock post 20 May?**

No.

**Are you providing a buy-back or credit service for menthol stock post 20 May?**

Yes. Philip Morris Limited (PML) has in place a ‘buy-back’ system that will allow retailers to return unsold, menthol cigarettes following the implementation of the ban on menthol cigarettes on 20th May.

**Are you providing a buy-back or credit service for non-track and trace stock post 20 May?**

No.  The only exception is Philip Morris menthol cigarettes, due to the menthol ban.

**What are the volume or value limits on the amount of menthol stock retailers can have swapped/bought back/credited for?**

This will be assessed on a case by case basis.

**What are the volume or value limits on the amount of track and trace stock retailers can have swapped/bought back/credited for?**

This will be assessed on a case by case basis.   Our buy-back system does not cover any non-menthol cigarettes.

**If you are swapping out non-compliant stock – what type of replacement stock is being offered? (ie is it tobacco, vape, other or mixed)?**

N/A.

**Are there time limits for stores on the return of non-compliant stock?**

Our ‘buy-back’ system goes live on 20th May. Retailers then have until 1st July to register and submit the quantity of menthol cigarettes they possess.  Stock should then be returned no later than 1st September.

**Without reps being unable to access stores, how do you plan on receiving non-compliant stock and delivering any replacement stock?**

Philip Morris will use a combination of courier services and recorded delivery options for retailers to return our menthol cigarettes to us.

**Are there any other terms retailers must meet to take part in the above mentioned schemes?**

All menthol cigarette packs must have had UK duty paid, and be in plain packaging. Philip Morris Limited reserves the right, at its sole discretion, to refuse payment for any packs that are either (a) supplied from outside the UK or (b) do not meet the plain packaging requirements. The Philip Morris packs eligible for our ‘buy-back’ system includes: Marlboro Green, Marlboro Ice Blast and Chesterfield Green.

**Are there any restrictions on what retailers can take part in the above mentioned schemes?**

If retailers aren’t already signed up to our trade programme – HEETWAVE – then in order to be eligible for our ‘buy-back’ system for menthol cigarettes, they would need to sign up to our Retailer Hub - <https://menthol-ban-retail.co.uk/> where they will find all the details they need.

Imperial Tobacco

Imperial Tobacco refused to answer the questions when challenged by betterRetailing. It instead released a statement reading:

“We appreciate the menthol ban presents challenges for our retail customers, especially at a time when they are operating under such difficult conditions as a result of Covid-19. Our main priority is delivering an exceptional level of service to our customers and helping them navigate the hurdles that lie ahead. We’ve been working closely with our retailers to help them prepare for the arrival of the ban and will continue to do so right up to the deadline on the 20th May. This includes helping them manage their stock levels efficiently to minimise both the impact of the ban on their sales and returns of non-compliant products, which will be dealt with on an individual basis. Any retailers requiring additional support or further information should speak to their dedicated Imperial sales rep.”

British American Tobacco

BAT refused to answer the questions when challenged by betterRetailing. It instead released a statement reading:

*“BAT UK will be supporting our valued trade partners through the upcoming ban on the sale of menthol tobacco products with a variety of viable alternative products and support. We will be sharing information about these with our trade partners directly over the coming weeks to help them ensure full compliance.*

*BAT UK has always been at the forefront of helping our trade partners through regulatory changes and our approach to the upcoming changes will be no different. We understand the difficulties the Coronavirus pandemic presents for retailers ahead of the menthol ban and that’s why our BAT UK representatives are readily available to communicate and guide our trade partners through this challenging period.*

*We would continue to urge our trade partners to get in touch with their local BAT UK contact to help answer any questions they may have.”*