

UK European Consumer Centre

Information and support for consumers shopping across the EU

Welcome to the August issue of *Your Update* in 2016 - the second one of the year - brought to you by the UK European Consumer Centre. This edition is a little different to most of our newsletters, as we will be concentrating on what is broadly called Alternative Dispute Resolution (or ADR). We hope you find this special edition newsletter useful and look forward to receiving more editions in 2016. If you wish to subscribe to the UK ECC Newsletter – Your Update – please register for your copy of YOUR UPDATE from the home page of www.ukecc.net

For free legal advice, call the UK ECC on 01268 886690 weekdays between 9am and 5pm.

Andy Allen, UK European Consumer Centre Director

ADR is a 'game-changer' for consumers

Confused by the term ADR (or Alternative Dispute Resolution)? Have you bought something online and are in dispute with the trader? You don't know what ODR (Online Dispute Resolution) means? This special edition of *Your Update* is for you!

'Here comes the science bit!' - to coin the phrase made famous by actress Jennifer Aniston in her TV adverts for L'Oreal's Elvive shampoo - ADR is a term covering all of the ways of resolving a complaint which don't involve going to court.



Traditionally, if you had a problem with goods or services you'd bought and weren't able to sort things out with the seller, the only way to enforce your rights was through the county court system. Given the fact that people are historically reluctant to enforce their rights in the courts, the arrival of both ADR and ODR is a big deal for consumers.

ADR and ODR have the potential to become two of the biggest 'game-changers' in consumer rights for many years. These two mechanisms have been established to help consumers resolve complaints without use of the court.

Looking first at ADR, new legislation driving this initiative came into effect in October 2015 as a result of the EU's ADR Directive: it provides the legal basis for ADR as a whole. It ensures that UK consumers - alongside all EU consumers - can turn to an ADR body for all contractual disputes in virtually every economic sector with traders, regardless of whether the purchases were made at home (domestically) or abroad (cross-border) and regardless of whether they were made online.

The legislation requires all UK traders to inform consumers of an approved ADR body to help consumers resolve their complaints, if they've already been through the trader's own customer service procedure. The ADR body must be relevant to the sector in question.

ADR procedures are provided by neutral out-of-court bodies such as conciliators, mediators and arbitrators. These ADR bodies have to meet

Moving house?

Consumers are being helped to pack up their troubles on moving day as the Removals Industry Ombudsman Scheme has become the latest organisation to be an approved ADR body.



If your removals company is a member of a trade body which belongs to the Removals Industry Ombudsman Scheme, then help is at hand.

Andy Allen, ADR project leader at the CTSI, said: "Moving house can be a stressful enough business, without adding to the stress by feeling that your complaint isn't being listened to. It's worth taking a pragmatic approach if something isn't quite right, but if you do have a valid complaint and feel that your removals company isn't resolving it to your satisfaction, there is now another avenue for the consumer to go down.

"A consumer's complaint may be fairly trivial - such as a favourite tee-shirt being mislaid. But if the complaint is more substantial - such as prized-possessions being delivered to the wrong house, if a television is broken in the move or if a consumer has been overcharged, these could be valid complaints. For anyone moving house, the Removals Industry Ombudsman Scheme could be good news."

Legislation requires UK traders - which would include removal companies - to inform consumers of an approved ADR body to help consumers resolve their complaints, if they've already been through their own customer service procedure.

strict EU quality criteria, which guarantee that they handle a consumer's dispute in an effective, fair, independent and transparent way. Most of them can help consumers free of charge or at a low cost. They usually reach an outcome within 90 days.

What sectors are covered?

ADR can be used for any market sector (e.g. transport, electronic goods, household appliances, car rental, holidays etc). There are currently 40 approved ADR bodies in the UK.

And how are these bodies approved? The Chartered Trading Standards Institute (CTSI) - which delivers the UK European Consumer Centre's free consumer advice and support service for UK consumers in dispute with EU traders - is the ADR auditing and awarding body appointed by the UK government.

Andy Allen, ADR project leader at CTSI, said: "It is generally accepted that consumers are more willing to use ADR processes than to use the court process. It is also accepted that these ADR processes are much better at maintaining, or recovering, a positive relationship between the consumer and trader."

So how does ADR work?

OK, picture this.....you bought something and are in dispute with the seller, you've been through the seller's company customer service procedure and have failed to get your complaint resolved - what do you do now? You want to enforce your consumer rights but don't know how.

One point to remember is that at the moment traders (and consumers alike) don't have to use an ADR scheme, although the law requires there to be an ADR scheme in each sector. It's not compulsory for traders to use the scheme - so as a consumer you need to get the trader's agreement to engage in an ADR process - but it is hoped that market forces will encourage more to use them in time.

The reality is that most people don't go court anyway, so this is an alternative to doing nothing. And it is increasingly expected from the courts that consumers will be prepared to use an ADR body before they resort to court.

Once consumers have asked the neutral third party - an ADR body - to act as an intermediary between them and the trader, it is then up to the ADR body to suggest - or in some cases impose - a solution, or simply bring the two together to discuss how to find a resolution. In some cases, although the trader will have to comply with the ADR body's decision, the consumer will still be free to take the matter to court if they want to. ADR has the benefit, however, of usually being quicker, simpler and cheaper than court.

More information is available from the European Commission's ADR website:

<https://webgate.ec.europa.eu/odr/main/index.cfm?event=main.adr.show>



With football fans gearing up for the start of the league football season, those niggling footie gripes will be rearing their ugly heads again.

Maybe a consumer feels they've been wrongly charged to see a match, they couldn't get a ticket despite queueing for hours/days, the club merchandise was overpriced or someone was sitting in their seat (despite having a valid ticket) - these could be valid complaints. They may be the type of grievance which could be taken up by the Independent Football Ombudsman (IFO), one of the latest organisations to become an officially approved ADR body.

The IFO was established by football authorities (The Football Association, The Premier League and The Football League) to receive and adjudicate on unresolved complaints. It is an integral part of football's self-regulatory system.

Jane Negus, ADR project executive at CTSI, said: "Football is a sport which often gets its supporters hot under the collar. If, for example, a consumer has taken their complaint about ticket prices or seating to their club and it hasn't been resolved, now there is potentially another avenue for the consumer to go down.

"Now all football clubs, as traders selling to consumers, will be obliged to provide information about an approved ADR body if they have failed to resolve a consumer's original complaint. For football supporters, that's got to be good news. In footballing terms, football clubs are traders."

Case study:



Ms U, a German consumer, rented a car while she was in the UK for business meetings. She was assured that the car was fully insured, so she did not request an insurance upgrade. The car's tyres were not in the best condition and Ms U experienced a tyre blow-out the following afternoon.

The consumer called the accident contact number but was informed "there's nothing we can do to help" and was even hung up on during successive calls. She had the tyre replaced, but had to take taxis while she left the car at the garage.

The consumer wanted to claim back the cost of the tyre, as well as the consequential loss she had incurred, i.e. taxi costs and phone call charges, but got nowhere with the hire company. She contacted ECC Germany about the problem and the UK ECC became involved. The matter was referred to an ADR body and Ms U received a refund of £101.75.

Now to tell you about ODR. . . .

Now you know what ADR is and how it can potentially help you, do you know what ODR is?

Put simply, ODR - or Online Dispute Resolution - is an ADR procedure conducted entirely online, from the moment a complaint is submitted to the moment an outcome is reached.

ODR is delivered via a free, EU-wide interactive website. If a consumer submits a complaint through the EU online dispute resolution site, the consumer and the trader need to agree on the ADR body that will handle the dispute. Each body has its own rules and procedures, possibly including fees.

So what does an ODR complaint look like? It's worth noting that a consumer must have bought their goods - or services - online in order to use the ODR website, which is user-friendly and multi-lingual.

Everything on the ODR website is done in four, simple steps:



First, the consumer fills in an online complaint form and submits it, along with relevant documents. The complaint is sent automatically to the relevant trader. If he agrees to use an ADR body, the trader then proposes an ADR body to the

consumer. Once consumer and trader agree on which ADR body will handle their dispute, the ODR website transfers the complaint automatically to that body. The complaint is handled entirely online and reaches an outcome in 90 days.

Andy Allen at the Chartered Trading Standards Institute said: "Key strengths of the ODR provision is that it will give consumers and traders a highly visible and more accessible tool to resolve their disputes out of court and in a prompt manner.

"The ODR website does not intend to prevent the resolution of disputes through direct approaches by the parties to ADR bodies, nor deprive them from seeking redress through court procedures if an agreement cannot be reached via ADR.

Contact us:



The UK ECC is a FREE SERVICE. We usually get involved when consumers have exhausted their own efforts to resolve a dispute directly with the trader. We are often able to get a more positive response from the trader than the consumer will have done alone.

We have counterpart offices in most European countries and are often able to contact the trader, through them. This avoids the logistical and language difficulties consumers often face.



[UK ECC contact details](#)

Get your regular copy of YOUR UPDATE!

If you wish to subscribe to the UK ECC newsletter, please register for your copy of YOUR UPDATE from the home page of www.ukecc.net – where it says register now for your update newsletter.

You can also subscribe to receive news items and leaflets from the home page of www.ukecc.net

"This is a significant opportunity to strengthen the EU internal market, partly by bolstering consumer confidence to undertake cross-border shopping online. It will also help consumers overcome the hurdles of national legal systems which can sometimes function as barriers to cross-border trade."

The ODR website provides a familiar 'front end' and set of procedures to potentially overcome the challenges facing dispute resolution due to the fragmentation of ADR schemes and mechanisms across the EU.

An ODR advisor is available to help consumers in the use of the ODR website: <https://www.odrcontactpoint.uk/>

Brought to you by the UK European Consumer Centre

This UK ECC Newsletter arises from the project "European Consumer Centres' Network – ECC-Net" which has received funding from the European Union. This is in the framework of the Programme of Community action in the field of consumer policy 2014-20.

Disclaimer: Whilst every effort is made to ensure accuracy, the UK European Consumer Centre cannot be held responsible for matters arising from any errors or omissions contained in this publication. The information provided is intended as a guide only and not as a legal interpretation.

The UK European Consumer Centre. Delivered by the **Trading Standards Institute.**
Funded by the **European Commission** and the **Department for Business, Innovation & Skills**