



Settling consumer disputes online

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What is Alternative/Online Dispute Resolution?

If consumers have a complaint about a good or service they have bought, instead of going to court, they can choose Alternative Dispute Resolution (ADR). The term ADR includes all the ways of resolving a complaint which do not involve going to court.

Typically consumers ask a neutral third party to act as an intermediary between them and the trader; this neutral third party is called an ADR entity. The ADR entity can then suggest or impose a solution, or simply bring the two together to discuss how to find a solution. This is also known as “mediation”, “conciliation”, “arbitration”, “ombudsman” or “complaints’ board”. Compared with going to court, ADR is usually quicker, simpler and costs less.

Online Dispute Resolution (ODR) is an ADR procedure conducted entirely online.

How does the EU ODR platform work?

The new EU ODR platform is developed and operated by the European Commission. In accordance with the relevant legislation, the Commission prepared the platform by the deadline of 9 January 2016. However, it is available for use as of 15 February 2016 to allow for a maximum geographical and sectoral coverage across the European Union as Member States had first to assess and notify to the Commission the national ADR entities.

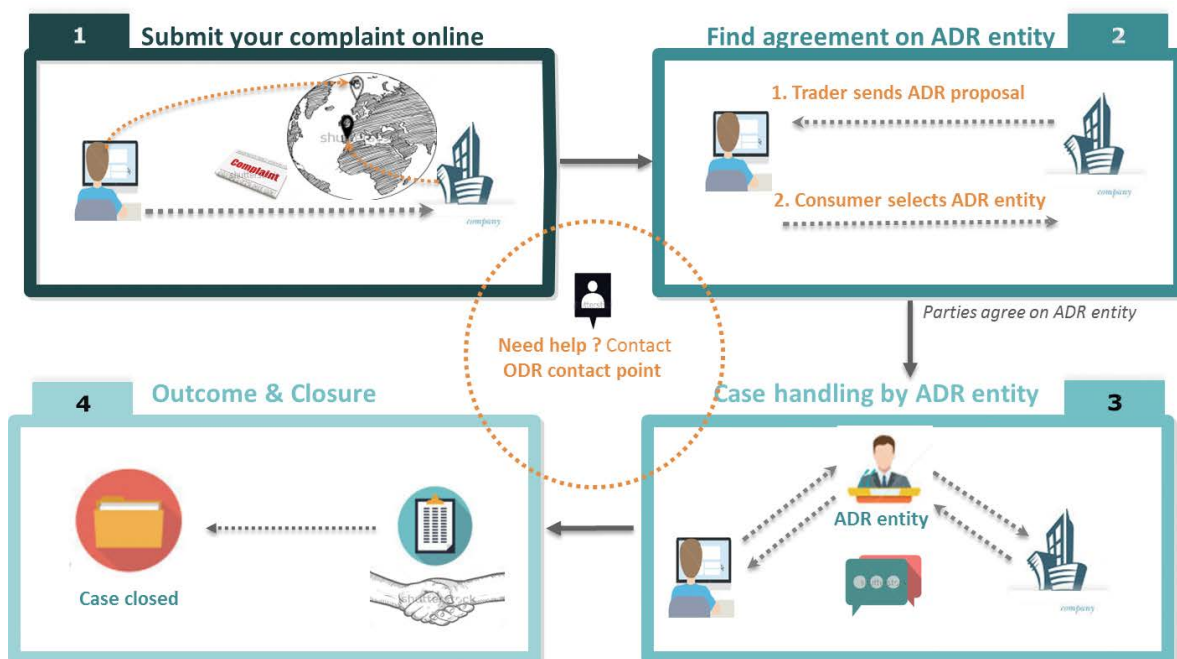
The platform is user-friendly, multilingual and accessible to all. Everything is done in four, simple steps:

The consumer fills in an online complaint form and submits it.

The complaint is sent to the relevant trader, who proposes an ADR entity to the consumer.

Once consumer and trader agree on an ADR entity to handle their dispute, the EU ODR platform transfers automatically the complaint to that entity.

The ADR entity handles the case entirely online and reaches an outcome in 90 days.



What are the benefits of ADR/ODR?

Thanks to ADR/ODR, consumers and traders will be more confident in trading online and across borders. Consumers and traders alike will know that they will be able to settle their disputes out of court in a simple, fast and low-cost way. In addition, ADR/ODR will contribute to developing a new culture of out-of-court, conciliatory dispute resolution between consumers and traders in the EU.

Consumers will be encouraged to seek redress even for low-value purchases and enforce their rights. EU traders will benefit too. Currently, 60% do not sell online to other countries due to the perceived difficulties of solving a problem arising from such sale. ADR/ODR will save on costly court proceedings as well as maintain business reputation and good customer relations.

What do consumers and traders think about ADR/ODR?

EU Consumers

45%

consumers think it is easy to resolve disputes through ADR

70%

satisfied with how their complaint was handled by an ADR.

EU Traders

40%

do not know about ADR

30%

are aware and willing to use it

15%

would like to use it but it is not available in their sector

What legislation is behind the ODR Platform?

The ODR Regulation establishes an EU-wide platform to facilitate the online resolution of contractual disputes between EU consumers and traders over purchases made online. This EU ODR platform will link all the ADR entities notified by the Member States in line with the ADR Directive.

Under the new legislation, traders must also provide a link to the EU ODR platform on their website.

The ADR Directive provides the legal basis for ADR as a whole. It ensures that EU consumers can turn to an ADR entity for all their contractual disputes in virtually all economic sectors with traders no matter where (domestically or across borders) and how (online/offline) the purchase was made.

It ensures that the ADR entities notified to the Commission by Member States by will offer a high quality service and will respect core principles, such as impartiality, transparency, effectiveness and fairness.

For more information

Europa webpage: Alternative and Online Dispute Resolution (ADR/ODR)

ec.europa.eu/consumers/solving_consumer_disputes/non-judicial_redress/adr-odr/index_en.htm