

Consultation on proposed EU Directive on Alternative Dispute Resolution (ADR) for Consumer Disputes and on proposed EU Regulation on Online Dispute Resolution (ODR) for Consumer Disputes

The Department is seeking views on the [proposal for a Directive of the European Parliament and of the Council on Alternative Dispute Resolution \(ADR\) for Consumer Disputes \(PDF, 85 KB\)](#) and on the [proposed Regulation of the European Parliament and of the Council on Online Dispute Resolution \(ODR\) for Consumer Disputes \(PDF, 248KB\)](#).

The [European Commission Communication on " Alternative Dispute Resolution for consumer disputes in the Single Market" \(PDF, 169KB\)](#) issued on the 29th November 2011 adopted a proposal for a Directive on Alternative Dispute Resolution (ADR) for consumer disputes and a further proposal for a Regulation on Online Dispute Resolution (ODR) for consumer disputes. In introducing these legislative proposals, the Commission has advised that its intention is aimed at making it easier for consumers to secure redress in the Single Market, whether they are buying online or offline and thus contributing to growth and economic stability through enhanced consumer demand.

Proposed EU Directive on Alternative Dispute Resolution (ADR)

Insofar as the proposed Directive on ADR is concerned, the Directive seeks to ensure that:

- quality out of court ADR entities exist to deal with any contractual dispute between a consumer and a business
- entities acting as ADR bodies meet certain quality criteria, i.e. are well-qualified, impartial, transparent, effective and fair
- businesses inform customers in relation to to ADR entities which can deal with potential contractual disputes
- ADR entities resolve disputes within 90 days

Proposed EU Regulation on Online Dispute Resolution (ODR) for Consumer Disputes

Insofar as the proposed Regulation on Online Dispute Resolution is concerned, the Regulation seeks to

- create a EU-wide online platform (“ODR Platform”) which will provide consumers and businesses with a single point of entry for resolving on-line disputes concerning purchases made on-line in another EU country
- ensure that the ODR platform will automatically send the consumer’s complaint to the competent national ADR entity
- facilitate the resolution of disputes pursued through the ODR platform within 30 days

Benefits for Consumers and Businesses

The Commission’s package of legislative proposals are intended to benefit both consumers and businesses through

- consumers having access to an effective and inexpensive way of solving their disputes with traders regardless of the goods or services that they buy, however they buy (on or offline) and wherever they buy in the EU
- enabling consumers who buy on-line from traders in other EU countries to solve their contractual disputes with EU traders entirely on-line
- businesses by dealing with disputes by way of ADR/ODR will save costs in the area of litigation and also help in enhancing their corporate image and managing their customer relations
- both consumers and businesses throughout the community will have the assurance that all out of court entities called to resolve their contractual disputes will meet the same criteria in terms of impartiality, effectiveness, fairness etc.
- encouraging consumers to more actively avail of the potential of the single market

The Commission’s ADR and ODR legislative proposals will now be discussed as a package by both the European Parliament and the EU Council who have both committed to adopting the package by the end of 2012 as a priority action in the Single Market Act.

Consultation

To assist in formulating Ireland’s position with regard to the proposed Directive and the proposed Regulation, this Department would be glad to receive the observations of all interested parties on the measures proposed by the Commission. Given that these proposals will have implications for consumers, businesses, dispute resolution

bodies, regulatory bodies and other public bodies alike, the Department would encourage all those involved in the area of dispute resolution, particularly consumer dispute resolution, to forward their views on the proposed legislative measures and particularly the specific provisions within the measures

Views can be submitted by e-mail to conspol@djei.ie or by post to Competition and Consumer Policy Section, Department of Jobs, Enterprise and Innovation, Earlsfort Centre, Lower Hatch St, Dublin 2. The closing date for the receipt of submissions is **Friday 20th January 2012**.

If in advance of that date parties are in a position to indicate any issues in the proposed Directive/proposed Regulation that are of particular concern, the Department would be glad to be advised of such issues given that discussions on the Commission's proposal are expected to commence shortly.

Should you have any queries in relation to this matter, you may wish to contact Cathal O' Gormam at (01)6312612 or Caroline Kiernan at (01)6312618.