

New EU-wide online dispute resolution platform

A new web-based platform, which became available on 15 February 2016 in all EU languages, will provide an easy, fast and inexpensive way to assist in resolving disputes between online buyers and traders. The platform is managed by the European Commission.

Current consumer concerns related to e-commerce

E-commerce can offer reduced transaction costs, more flexible contract terms, lower prices and broader choices to consumers, and is currently most [widespread](#) in sectors such as electronics, clothing, shoes and digital content. The overall value of business-to-consumer (B2C) e-commerce is estimated at almost [2% of the EU's GDP](#), with tangible goods and offline services accounting for the bulk of online spending (on average, €760 among those who purchased these products in 2014), followed by online services and digital content (€94 and €107). According to the [Commission](#), in 2014, **44% of EU consumers** purchased online **domestically** and **15% from other EU countries**. Commission data also show that compared to domestic e-commerce, the current uptake of cross-border e-commerce in the EU is slow due to language barriers, consumer preferences and differences in legislation across Member States.

In 2015, [one in three](#) consumers experienced a problem when buying online. The EU's 2015 [Consumer Conditions Scoreboard](#), which has a particular focus on the Digital Single Market, revealed that cross-border purchases cause European consumers a disproportionately large amount of problems, which mainly concern delivery and product conformity. It also showed that consumer and retailer awareness of some key [consumer rights](#) which are [guaranteed](#) by EU legislation still remains limited. Only 9% of all respondents were familiar with the right not to pay for or send back unsolicited products, the right to a free repair or replacement of defective goods and the right to a ['cooling-off' period](#) in relation to distance purchases. According to the scoreboard, a **quarter of all consumers encountering problems did not complain**, predominantly because they believed they had low chances of success, were not aware that there is information available, or were put off by the lengthy procedure involved. Its [results](#) showed that **satisfaction with complaint-handling was highest** amongst consumers who complained to **alternative dispute resolution (ADR) bodies**, followed by those who complained directly to the retailers or service providers. Of all cases of complaints dealt with by the [European Consumer Centres](#) (ECC) across the EU in the past 10 years, 50 000 involved e-commerce and almost [5 000](#) were referred to some form of ADR. Failure to deliver goods, contract cancellation, and goods that may be faulty or not compliant with the order regularly account for around 45% of all complaints received by ECCs.

Setting up an EU online out-of-court dispute resolution tool

Alternative (out-of-court) dispute resolution covers procedures such as arbitration, conciliation and mediation as well as assistance provided by an ombudsman or a complaints board. Where ADR is carried out online, it is known as online dispute resolution (ODR). In line with [Regulation \(EU\) No 524/2013](#) on online dispute resolution for consumer disputes (complemented in 2015 by [Commission Implementing Regulation \(EU\) 2015/1051](#)) and with [Directive 2013/11/EU](#) on alternative dispute resolution for consumer disputes, the **new EU-wide online dispute resolution platform** seeks to help consumers **resolve disputes arising in connection with their online purchases** without going to court. This should boost the enforcement of consumer rights across the EU in the context of an [ever-growing e-commerce](#) sector and offer its consumers a swift alternative to court procedures that are often too costly and lengthy, especially in disputes involving small sums. It can also prove to be very helpful in those Member States which have a substantial backlog of cases pending before the courts. Overall, the platform aims to contribute to strengthening [consumer trust](#) in online purchases, in line with the goals of the [Digital Single Market](#) strategy.



As defined in Regulation (EU) No 524/2013, a 'consumer' is a natural person acting outside their trade, business, craft or profession. However, if an online sales or services contract is concluded for purposes partly within and partly outside the person's trade, with the trade purpose limited and not predominant in the overall context of the supply, that person should also be considered as a consumer. The online sales or service contract – as defined in the Regulation – is one where the trader, or the trader's intermediary, has offered goods or services through a website or by other electronic means (for instance, a mobile telephone), and the consumer has ordered those goods or services on that website or by other electronic means.

How does the platform work?

Regulation (EU) No 524/2013, applicable since 9 January 2016, provides the legal basis for the establishment of the ODR platform at EU level. The platform provides a tool for dealing with **disputes initiated by consumers resident in the EU against traders established in the EU** (see Article 4(2) of [Directive 2013/11/EU](#) for the definition of 'established trader'). It will transmit disputes to designated national ADR bodies that comply with the binding quality requirements established by Directive 2013/11/EU.

The platform will enable consumers and traders to settle their disputes over **domestic and cross-border online purchases** at the [click of a mouse](#). The platform, in the form of a user-friendly [interactive and multilingual](#) website, is **free of charge**. However, the online dispute resolution procedure could potentially include a fee defined by the specific ADR entity chosen to deal with the procedure, which will apply its own procedural rules, including regarding cost.

The platform is a **single point of entry for consumers and traders** seeking to resolve disputes regarding contractual obligations stemming from online sales and service contracts. Just like consumers, traders will also be able to [initiate](#) an ODR procedure. More precisely, when a consumer or trader lodges their complaint via an electronic complaint form in their desired language, the ADR body agreed by both parties then acts as 'referee' in resolving their dispute. The outcome of the dispute needs to be reached within **90 calendar days**, at which point the ADR procedure is closed. However, if within 30 days the parties fail to agree on which ADR entity is to deal with the complaint, it will not be taken any further. In this case, the complainant (consumer or trader) is informed of other available means of redress. All procedures within the ODR platform are conducted online, while also ensuring the privacy of the users from the outset.

In the preparation phase – to ensure the proper functioning of the platform – each Member State had to designate one ODR contact point hosting at least two ODR advisors and to communicate the relevant details to the Commission. Member States were however able to confer responsibility for the ODR contact points to their centres belonging to the ECC network. To ensure broad consumer awareness of the ODR platform, **traders** established within the Union now have to place an **electronic link to the ODR platform** on their websites, alongside their email address, thus signalling to consumers their first point of contact. Member States now need to ensure that the ECC and ADR entities also provide an electronic link to the ODR platform on their websites.

ODR however does not deprive consumers or traders of their rights to [seek redress](#) before the courts.

European Parliament

In its [2014 resolution](#) on supporting consumer rights in the Digital Single Market, the Parliament highlighted the **potential of e-commerce**, which could **save consumers more than €11.7 billion a year** if they were able to choose from the full range of EU goods and services when shopping online. It also stressed the importance of affording consumers the same protection online as they enjoy in their traditional markets.

In its latest [resolution](#), 'Towards a Digital Single Market Act', of 19 January 2016, the Parliament welcomed the Commission's overall efforts in establishing the EU-wide ODR platform. It called for the timely and correct implementation of the ODR Regulation, especially concerning translation, as well as of the ADR Directive by the Commission and Member States. It also called on the Commission and relevant stakeholders to consider ways of further improving access to information on recurrent consumer complaints.

The ODR platform became available for use by consumers and traders on 15 February 2016:

<http://ec.europa.eu/consumers/odr/>.