

BUSINESSEUROPE



***Alternative dispute resolution:  
providing consumers real effective  
redress***

EP IMCO hearing on ADRs

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# Importance of ADRs

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- BUSINESSEUROPE strongly supports ADRs
- It is about:
  - Giving consumers and businesses an effective way of solving their disputes avoiding confrontation
  - Costs-efficiency
  - Avoiding unnecessary litigation
- Litigation is lengthy, complex and expensive

# Room for improvement

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- Huge variety of ADRs exist
- No single model
- Preserving diversity, quality and efficiency
- Filling the gaps, in particular in the online environment
- Raising awareness



# Proposed Directive on ADRs

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Step in the right direction **BUT** fine tuning is needed with regard:

- **Funding:** a balance solution must be found on Article 2(2)(a) ensuring
  - ✓ No overburdening of Member States budgets
  - ✓ Make use of existing best practices fulfilling quality criteria
- **Traders information obligations must be adequate and proportional (Art. 10)**

Examples: metro ticket, purchase receipt, supermarket products



# Proposed Directive on ADRs (2)

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It is key to **ensure**:

- **NO one-size-fits-all**
- **Voluntary nature of ADRs:** building block of these systems
- **Use of existing European tools** like ECC-net



# Pragmatic approach towards redress

- **Hierarchy** of remedies:
  - First mean of redress must be customer service of companies
  - If the problem is not solved: ADRs → this should be the focus of EU action
  - Then, only if it fails: court route
- **Compensation is key** but what matters most is to find rapid/concrete positive solutions that will improve consumers confidence
- **Focus** should be in producing maximum benefit for consumers and companies at minimum cost



# Conclusion

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- BUSINESSEUROPE is willing to work with EP and European Commission to make a success of this initiative
- More important than changing texts is changing behaviours of both consumers and companies

