Alternative dispute resolution: providing consumers real effective redress

EP IMCO hearing on ADRs

Pedro Oliveira
Legal Adviser

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Importance of ADRs

• 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

• 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

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)

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

• 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