New EU rules to ensure rapid redress for disappointed shoppers

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EU shoppers will get easier access to rapid, cheap and impartial mediation in disputes with traders over goods or services thanks to two new laws voted by Parliament on Tuesday. They aim to help shoppers to avoid long and costly court cases, especially over on-line or cross-border purchases.

The new rules on Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR), aim to step up the use of ADR schemes in the EU by giving shoppers a fast, cheap and informal way to settle disputes with traders as an alternative to often lengthy court proceedings.

An ADR mediator for every dispute

Many EU countries already have ADR schemes, but a lack of common standards, patchy coverage and overloading make it hard for shoppers to use them. The new directive requires EU member states to ensure that ADR bodies exist for all business sectors and includes provisions to ensure that mediators are impartial.

Shoppers will be able to use the new rules to seek out of court remedies for complaints about any good or service, whether bought online, in a shop, domestically or across borders. MEPs ensured that arbitration should be either free of charge for the shopper or cost only a "nominal fee". In general, any dispute should be resolved within 90 days, the rules add.

"The ADR directive is a win-win one for both buyers and sellers. An EU-wide low-cost rapid redress mechanism will save consumers billions of euro a year, encourage cross-border e-commerce, which is a crucial stimulus for growth in Europe's single market" said Louis Grech (S&D, MT) who steered the legislation through Parliament.

Processing ODR complaints on line

To help resolve disputes over goods sold on line, the ODR regulation empowers the European Commission to provide an "online platform" for ODR in all EU languages. This platform, accessible via the "Your Europe" portal, will give shoppers a standard user-friendly complaint form which they can complete in their own language.

The ODR platform will refer shoppers to the most appropriate ADR scheme for their complaints. It will be able to handle every step of a complaint on line, and information exchanged will be protected by EU privacy and data protection rules. ODR help will be available for any dispute over online sales, irrespective of where the seller is located in the EU,

"Consumers and traders, especially smaller ones, feel insecure about online trading across borders because they do not know where to turn for help if they encounter a problem. ODR will give them the confidence to buy and sell throughout the EU. This makes ODR a milestone in the relaunch of the single market" said ODR rapporteur Róża Thun (EPP, PL).
Next steps

The ADR directive and the ODR regulation will enter into force 20 days after their publication in the EU Official Journal. The ADR directive should apply in all member states within 24 months of its entry into force, and the ODR platform will be available shortly thereafter.

The ADR directive was approved by 617 votes to 51, with 5 abstentions.

The ODR regulation was approved by 622 votes to 24, with 32 abstentions.

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