Deal on rapid redress for disappointed shoppers

Committees Committee on the Internal Market and Consumer Protection [11-12-2012 - 11:15]

EU shoppers who have disputes with traders over goods and services may no longer need to go to court to settle them, thanks to a deal struck by Parliament and Council negotiators. The deal, on two laws to protect online and cross-border shoppers, aims to give easy access to fast, cheap and fair ways of settling disputes.

Many of the problems that one in five EU consumers run into when buying goods or services online are caused by traders who break rules or by consumers who don’t understand their rights. The deal provides for impartial mediation to settle disputes between shoppers and traders quickly, effectively and at low cost.

Better guidance for shoppers in online, cross-border disputes

The deal concerns two draft laws, on Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR), which still need to be formally endorsed by Parliament and the Council. Effective disputes over online sales, a separate regulation on Online Dispute Resolution (ODR) will establish an online platform at EU level to guide shoppers to the most appropriate resolution scheme for their dispute.

Many EU member states already have ADR schemes to ease out-of-court settlements, but lack of awareness, patchy coverage or overloading make it difficult for shoppers to use them. The platform, to be set up and maintained by the European Commission, will be accessible via the “Your Europe” Portal. To save time, all steps of the complaint can be handled online. The ODR platform will provide a standard complaint form and electronic evidence. Any requests for evidence exchanged via the ODR portal will be protected by EU privacy and data protection rules.

The draft ADR directive builds on existing ADR schemes, but aims to step up their use by ensuring that states and dispositive ODR or ADR rules apply to all disputes about online sales, irrespective of where the seller is located.

The ADR rules will apply to complaints against traders about goods or services, including digital content or services, purchased online. Where the trader is overseas, the consumer should be able to file complaints online. They are looking out on the potential of the single market; they don’t want down a phone line for hours; they want a quick way to solve their problem. Online Dispute Resolution will give them the confidence to buy and sell throughout the EU, thereby providing better choice for the consumer and a larger market for the trader”, said ADR rapporteur Louis Grech (S&D, MT).

Next steps

Duty to inform

The Alternative Dispute Resolution directive and the Online Dispute Resolution regulation will enter into force 20 days after their publication in the EU Official Journal. The ADR directive must be transposed into national law by EU member states within 24 months of the day of entering into force. The ODR platform will start working in 2015 at the latest. The ADR schemes among sellers, traders and consumers will also have to be adhered to. The deal must also say whether or not they are committed to using ADR to settle complaints.

Both Parliament and the Council must still formally endorse the agreed texts. The deal is
expected to be endorsed by the Internal Market Committee on 18 December, and put to a plenary vote early in 2013.

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