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**DIVERSITY OF ADR SCHEMES:  
DOES IT MEAN DIVERSITY OF  
ADR EFFECTIVENESS?**

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# Alternative Dispute Resolution - ADR

- One of the most effective consumer (cross-border) complaint solution methods considered and promoted by the EC.
- ADR schemes aka out-of-court mechanisms usually use a third party such as an arbitrator, mediator or an ombudsman to help the consumer and the trader to reach an amicable solution.
- The advantages of ADR: flexible, cheaper, quicker, more informal and they better meet the needs of consumers and professionals.
- 16.03.2011. ADR development was announced by EC as a Top 5 priority in Consumer Health and Rights Protection Policy.

# TOPICALITY

- Consumers lack the information and the knowledge of where to turn for help in case of a consumer cross-border complaint with a trader.
- There are around 750 ADRs in the EU.
- There is a massive variety of ADR schemes that currently exist in the EU, which makes it impractical or impossible for consumers from one Member State shopping at cross-border level to know exact means where to obtain redress in the other Member State.

# AIMS OF THE ARTICLE

- To confirm the classification, if the ADR schemes are falling under the created classification categories in practice.
- To evaluate the effectiveness of different ADRs to be able to help consumers to choose the most appropriate ADR scheme when they are seeking redress for their cross-border problem.

# THE CLASSIFICATION

1. ***After notification type*** – notified or not notified under the EC Recommendations 98/257/EC and 2001/310/EC.
2. ***After organization and funding type*** – public or private or partially public, partially private schemes; funded by public or private industry or partially by public, partially by private industry.
3. ***After geographical competence*** - national or regional.
4. ***After sectorial competence*** - cross-sectoral or sectoral.

# THE CLASSIFICATION

5. *After legislative procedural type – arbitration, mediation, consumer complaints board or ombudsman.*
6. *After the character of decision – a non-binding recommendation, a decision which is binding on the business but not on the consumer, a decision which is binding on the business and on the consumer or a consensual agreement mediated by the scheme.*
7. *After character of trader participation – voluntary or mandatory*

# THE CLASSIFICATION

8. ***After type of procedural communication – ADR or ODR.***
9. ***After the origin of the complaint - cross-border ADRs, partially cross-border and ADRs accepting only national complaints.***
10. ***After limitations of value of the dispute – no limitations, minimum and maximum value limitation, only minimum or maximum value limitation.***
11. ***After participation fee – no fee, fee for consumer and trader, fee only for consumer or trader.***

# THE EFFECTIVENESS

The Commission within EC Recommendations 98/257/EC and 2001/310/EC has created a set of principles regarding impartiality, transparency, fairness and effectiveness which ADR schemes across the EU should follow.

## Principles of effectiveness:

- Easily accessible and available to both parties, for instance by electronic means, irrespective of where the parties are situated.
- The procedure should be either free of charge to consumers, or any necessary costs should be both proportionate to the amount in dispute and moderate.
- The parties should have access to the procedure without being obliged to use a legal representative. Nonetheless the parties should not be prevented from being represented or assisted by a third party at any or all stages of the procedure.
- A dispute should be dealt with in the shortest possible time commensurate with the nature of the dispute. Etc.



# THE PRINCIPLE OF ACCESSIBILITY

- ADR list at the EC homepage includes 540 ADRs.
- **59%** of all ADRs had a translation of its name in English (except - France, Portugal and Spain);
- **57%** of ADRs had provided an e-mail address (~**15%** email addresses were false);
- **36%** of ADRs had provided their website address (**10%** of the web addresses were invalid);
- **42%** of ADR websites were available only in one national language (in DK, FR, DE, LU and NO **62%** or more were available only in national language);
- **33,5%** of ADR websites were available in English from which almost a third offered 3 or more language
- **14%** of the ADRs which although indicating on their website that it is available in English, the English version was under reconstruction (Bulgaria)

# EVALUATION OF EFFECTIVENESS

- **66 (12,2%)** ADRs from 540 - accessible to consumers looking for cross-border redress as they provided information on their websites in English.
- From above – decrease of 20% as it was not possible to obtain information on consumer complaint resolution matters.
- Public ADRs had a small predominance.
- Dominance of Ombudsman and Consumer Complaints Boards.
- Both sectoral and cross-sectoral coverage was presented equally.
- Significant dominance of banking, insurance, financial and energy sectors.



**THANK YOU!**

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