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Dear Leon

Thank you for your letter of the 8 July to the former Secretary of State The Rt Hon Sajid Javid MP setting out the fees charged to ADR providers last year and your proposed fees for the forthcoming year.

On receipt of your letter my officials undertook a review of the fee regime and the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (“the ADR Regulations”). As part of this review we looked at the basis for the fees charged by CTSI to ADR providers.

Our review has identified a problem with the way the fee regime is currently structured. The periodic fee has been used to fund certain functions that, while legitimate in your role, should not have been funded by ADR providers under the terms of the ADR regulations. Given the difficulty of establishing retrospectively which cost elements should have fallen within the fee and which should not, I have taken the decision that each ADR provider should be refunded the entire £2000 plus interest. BEIS will provide CTSI with the funding necessary to make the refunds.

I note your assessment that a small amount of public funding would give a significant boost to the ADR landscape, encouraging ADR providers to become approved and potentially lowering the fees charged to traders to take part in ADR. I agree that this potential exists, and believe that this is an opportunity for us to make changes that will benefit consumers and business.

I am therefore pleased to be able to tell you that I have decided that BEIS will provide new public funding to support CTSI in your role as competent authority. My officials will work with you to determine the appropriate budget and the functions that it will cover over the coming weeks.

We remain committed to an ADR landscape that works for consumers and business, and CTSI's continued work in this area will be vital.

Best wishes
Margot

MARGOT JAMES MP

Minister for Small Business, Consumers & Corporate Responsibility