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Competition and Consumer Policy
Department for Business, Innovation and Skills
1 Victoria Street
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From: Nijole Zemaitaitis
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Dear Mr Mawhinney

The Competition and Markets Authority response to the consultation on implementing the ADR Directive and ODR Regulation

The Competition and Markets Authority (CMA) welcomes the opportunity to respond to the consultation on implementing the ADR Directive and ODR Regulation.

The CMA is a non-ministerial government department which works to promote competition both within and outside the UK, for the benefit of consumers. The CMA's aim is to make markets work well for consumers, businesses and the economy. The CMA was established under the Enterprise and Regulatory Reform Act 2013 and came into being in October 2013. It took on its full powers and responsibilities on 1 April 2014.

We support the directive's proposals to increase the availability of ADR within the UK to ensure that all appropriate transactions are covered by a certified scheme. However we are doubtful that voluntary mechanisms will in all cases substantially increase the availability or choice for consumers who wish to use ADR to achieve a speedy and effective resolution to their dispute. In order to increase usage, business will need to be proactively persuaded of the benefits of using ADR if these measures are to have any genuine impact on the take up of ADR in the UK. We think that a requirement for businesses to inform consumers, as part of their pre-contractual information, that there is an ADR scheme available, and whether they intend to use it, could be beneficial in ensuring that businesses are aware of ADR and consumers could factor this in to any purchasing decisions.

Whilst the availability and access to ADR is important, we believe there should also be an equal focus on the quality of provision of certified schemes. This is essential if

consumers and businesses are to have faith in ADR as an effective alternative to court procedures. In this the competent authorities will have a key role, by means of certification and monitoring, to ensure quality ADR provision is available. They will also need to be empowered to require changes to be made, where appropriate, as an alternative, or precursor to withdrawing certification from an ADR provider.

Looking ahead we agree that there are benefits to simplification of the ADR landscape for navigation and access. We would however want to be confident that such simplification would not be to the detriment of allowing competition among ADR providers which can bring a number of benefits, including encouraging innovation and efficiency.

Our response to the specific questions in the consultation is set out in the attached. Should you have any questions, or wish to discuss further, please contact me.

Yours sincerely

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