

2nd ADR Assembly
28-29 September 2021
Summary Report

The European Alternative Dispute Resolution (ADR) legal framework provides a tool enabling consumers facing a dispute over their purchases to efficiently assert their rights. While the costs and time investment of going to court can be discouraging and informal tools insufficient, the ADR bodies compliant with the [ADR Directive](#) should resolve a dispute within 90 days, at no or symbolic cost to the consumers. Six years after the ADR Directive entered into application, numerous success stories and virtually complete sectoral coverage prove that ADR offers effective consumer redress. However, the overall uptake is still too low and not all EU consumers benefit from it equally across the various EU countries or economic sectors.

In September 2021, the Commission hosted an online ADR assembly for ADR practitioners and other stakeholders to showcase good practices, reflect on the challenges (notably related to the COVID-19 pandemic and digital transition), and share their views on how to boost the effectiveness and efficiency of the ADR/ODR framework and the engagement in consumer ADR by consumers and traders alike.

Participants

- ADR entities in the EU and EEA area, certified by the Member States as compliant with the ADR Directive (over 430 entities have been [notified](#) to the European Commission);
- National authorities competent for the ADR Directive;
- European Consumer Centres;
- Academics
- Commission services and other key stakeholders.

Conclusions

Costs, benefits and challenges of different ADR models: a successful ADR framework should be fair, accessible, easy, affordable, include a human element and be faster and much cheaper than courts to resolve consumer disputes. The participants identified the following drivers behind the current insufficient uptake of ADR:

- Low awareness, which could be improved via signposting, behavioural nudges and trust-building;
- No or insufficient incentives for the traders to participate where the ADR schemes are voluntary;
- Access barriers, especially for the vulnerable consumers;
- ADR competence limitations, e.g. not covering third country traders;
- Complexity of procedures especially to resolve cross-border cases;
- Lack of financial and human resources and guidance.

Fitness of the ADR directive for the digital markets: digitalisation can create seamless ADR processes, improving speed, access and cost-effectiveness. While AI tools are still costly and imperfect, consumers are increasingly opting for online dispute resolution systems offered by various organisations and which may be totally or partially automated. ADR digital solutions should however take into account the needs of all consumers (not just digitally literate ones), and the automated processes should not undermine equal treatment, fairness or transparency:

- The EU framework must recognise technical advancements as part of ADR processes and define some common technical terms. Transparency, simplicity, user-friendliness, fairness and 24/7 access (also from mobile devices) are key;
- Balance between human and AI elements is paramount to ensure fairness and consumer trust. Digitalisation is viewed as an enabler for human beings, improving quality of their assessment and decreasing errors, speeding up case-handling and making ADR outcomes more coherent, but decisions should remain made by humans;
- Clear manuals on using the European ODR platform are necessary.

The sectoral workshops (for financial, communication, energy and travel-related disputes) recognised the importance of pan-European networks (notably FIN-NET and Travelnet which promote cooperation and exchange of best practices). Indeed cross-border disputes are very challenging for the consumers (applicable law, selection of the competent ADR entity, language, diversity in ADR landscape, complex procedures). Sectoral legislation can be more impactful when containing provisions on ADR and its promotion. There is also need for more cooperation with the enforcement authorities and regulators to address systematic infringements. When ADR is voluntary, creating trust is the best investment that leads to very high acceptance rate of outcomes.

Commission actions

- EUR 1 million from the Single Market Programme are allocated to grants to support ADR entities (digitalisation, awareness-raising, staff training, etc) in 2021 and 2022;
- The Commission will carry studies on the ADR landscapes, evolution and the best ways to nudge the consumers to use ADR. These studies, accompanied by a public consultation, will feed into the 2023 Commission report on the implementation of ODR/ADR framework;
- ADR will be further discussed at various fora e.g. the meetings of the Consumer Protection Network, the Consumer Policy Advisory Group and the upcoming Consumer Summit in February 2022.

Further information:

ADR Assembly materials (presentations and closing ceremony recording) are available [here](#).

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