

CTSI Requirements and Guidance on seeking approval as a Consumer ADR Body operating in non regulated sectors.



For the purpose of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 as amended and Regulation (EU) No 524/2013 on online dispute resolution for consumer disputes

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Getting started

What is ADR Approval?

Various organisations across the UK and Europe provide alternative dispute resolution (ADR) as a simple, low cost way to resolve consumer goods and service contract disputes between traders and consumers out of court. Legislation now requires traders to give consumers information about an ADR organisation who could help them. This legal information requirement will be 'triggered' when the trader cannot resolve a dispute they have with a consumer using their internal processes. The ADR organisation, they must provide information about, can only be one that has been checked and approved to ensure the independence, quality and accessibility of the service it provides. An approved ADR provider will be able to resolve both online and offline disputes and can only refuse to deal with a consumer who initiates a complaint with it, under very limited circumstances. To gain approval, an ADR organisation must apply to one or more of the relevant UK Competent Authorities for the types of transactions it deals with or that have been assigned to it in particular.

In the UK the Competent Authorities are:

The Financial Conduct Authority (In relation to the Financial Ombudsman Service in particular);

Legal Services Board (In relation to the Office for legal Complaints in particular);

Civil Aviation Authority;

Gambling Commission;

Gas and Electricity Markets Authority;

Office of Communications

Lead enforcement authority for the purposes of the Estate Agents Act 1979.

These are the relevant Competent Authorities to make an application to, to gain ADR approval in relation to disputes for which they have regulatory responsibility, an oversight or have been specifically assigned responsibility.

Where the dispute falls outside the remit of these Competent Authorities the Secretary of State is the relevant Competent Authority. However, the Secretary of State has delegated responsibilities for dealing with applications and approval in its role as Competent Authority to the Chartered Trading Standards Institute (CTSI). CTSI will also act for the Secretary of State, as the single point of contact for all the UK Competent Authorities.

Some ADR providers resolve disputes within the remit of more than one Competent Authority. Where they do this, the ADR provider must be assessed & approved separately by each Competent Authority.

The legal requirements for the appointment of Competent Authorities and the ADR approval process that Competent Authorities assess each applicant against, are set out in The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 and, the Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015 (In this guide referred to as 'the regulations').

Do all ADR providers have to obtain approval?

No. However, when a trader cannot resolve a dispute with a consumer in relation to a goods or service contract, you cannot be the ADR organisation the trader is legally required to inform the consumer about, if you are not approved. The requirement for a trader to direct a consumer to an approved ADR body if a dispute reaches deadlock, applies to all sectors with limited exceptions. One exception in consumer disputes is the health sector. For definitions on the meaning of 'health services' as well as consumer, trader, sales contract and service contract, see appendix A to this guide. These are all important definitions in deciding if the trader information requirements apply.

Some organisations ('intermediaries') may provide assistance to consumers to help them resolve a dispute by providing legal advice or directing them to another appropriate person for help (commonly referred to as 'signposting'), or even just advising them that they should try to resolve the problem with the trader first. This is not ADR provided that there is no element of being 'actively' involved in trying to resolve the dispute between the consumer and trader.

In appendix G, we have provided some basic guidance on the trader information requirements 'A & B' that were introduced on 1st October 2015, as well as additional information requirements for online traders from the 9th January 2016.

Can all ADR organisations apply for approval?

Nearly all ADR organisations can apply for approval, as can many organisations that perhaps do not consider themselves as an ADR provider. To be approved, you must provide the application information requested in appendix C to this guidance, and provide any additional information CTSI requires to be satisfied that you can either; meet the requirements of Schedule 3 & the regulations (the 'requirements' set out in the main body of this guide) or that the requirements will be met within a reasonable time of approval being granted. Please note that some other Competent Authorities have the legal power to require additional requirements to be met, including binding solutions on traders if these are for higher consumer protection purposes. CTSI does not have such legal powers.

What is the application and approval process?

The application and supporting documents should be sent to CTSI – adrenquiries@tsi.org.uk (See appendix C). An auditor will be appointed to assess your application. Your auditor will work with you to help answer any concerns you have about meeting the requirements. Where you need to make changes to your organisation, policies or procedures, and provided that this can be done within a reasonable time, your approval will not be delayed. We will specify what we consider that reasonable time to be in consultation with you as part of your application. The CTSI auditor assessing your application will work with you to decide a deadline for what is a reasonable time to make any changes you are planning, and comment on your ability to make those changes. An audit check will be made to confirm that those changes have been made. While the auditor can advise you on meeting requirements, they cannot implement those changes for you as a consultant might. If there is any further information your auditor needs to see to be satisfied that you meet the requirements to be approved, they will tell you this and the format they would like the information in.

In the majority of cases, there will be an onsite visit to your offices. The auditor will discuss your application in detail, talk with the ADR official/s and clarify any further work that need to be done to gain approval.

Once satisfied that the requirements are met (or will be), the auditor will notify CTSI of their findings, and on payment of the audit invoice, CTSI will subsequently inform you in writing that you have been approved. The date of this letter will be your 'approval date'. If you request one, we can also provide a summary of the audit findings.

Despite the best endeavours of our auditor to help you achieve approval, if they cannot be satisfied you have met or will meet the requirements; your application will need to be rejected. If this happens, CTSI will write to you explaining this decision and the grounds for it.

Once I have achieved approval is that all I need to do?

No. The approval process creates an ongoing relationship with the Competent Authority. You will need to advise CTSI in writing if any of the information you provided as part of your application (including additional information requested by CTSI) has changed. In addition, within one month of the anniversary of your 'approval date', you will need to publish on your website a report detailed in appendix D and every second year supply CTSI with the information detailed in appendix E. The information required in these reports is set out in appendices D and E of this guidance. Based on the information in these reports, CTSI is required to assess annually, your continuing compliance with the requirements of Schedule 3 of the regulations.

If CTSI has reason to believe that you are no longer meeting the Schedule 3 requirements, and the reason for this is within your control, we are required to issue you with a written notice. That written notice will identify what requirement is not met, and request that it is promptly corrected or at most within 3 months of the date of the notice. If you fail to correct the problem and it is a serious failure, we are required to write to you withdrawing your approval. CTSI would provide you with details of the appeal mechanism against this decision, along with the written notice.

What does approval cost?

Charges: A full audit is completed on receipt of the initial application and supporting documents. The charge made by CTSI to the applicant is for the auditor's time and is charged at £750+VAT per 8 hours. Part days will be charged pro- rata.

The reporting functions laid out in Schedule 5 & 6 of the ADR Regulations, will need to be fulfilled by all approved ADR bodies within the prescribed deadlines. Where an auditor's intervention is required for issues regarding the reporting, or for areas where feedback or investigation shows potential non-compliance, a fee of £750(+VAT) per 8 hours may be charged.

The average approval cost has been £2500 – £3000 and generally there are no further fees in subsequent years, unless potential non-compliance applies.

Under this regulation, CTSI, on behalf of the Secretary of State, is not required to approve an application if there is a fee outstanding. Once an auditor has been appointed, these fees will become chargeable whether or not an application is successful or reaches completion.

How do I apply?

Please forward your completed initial application (appendix C) and other supporting documentation to adrenquiries@tsi.org.uk. The audit process is designed to be dynamic and for the auditor to support the ADR body towards approval. However, the approval process is necessarily robust and the specific requirements are largely restricted by the relevant directive and implementing regulations.

Below are the requirements you will need to comply with to become and remain an approved ADR body. There are 7 main areas you need to consider in relation to the operation of your organisation. These are:

- Access
- Expertise
- Independence
- Impartiality
- Transparency
- Effectiveness
- Fairness

ADR Approval Requirements

Access

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Part 2:9 (2a)	An ADR applicant must supply with an application, the information contained in schedule 2 of the ADR Regulations.	<p>This information must be supplied in detail and every point (a-i) must be covered in the fullest detail possible. Appendix C gives full detail of the required information.</p> <p>If you are applying for approval in anticipation of creating a brand new ADR body, or have to make changes to policy and procedures etc, our judgement for granting approval will be on the basis that we can be satisfied that you will meet the requirements within a reasonable time of your ADR body being formed.</p> <p>We will specify what we consider that reasonable time to be, in consultation with you as part of your application.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • The auditor will access the website and test processes.
Part 2:9 2 (b)	An ADR applicant must supply other information, as requested by the Competent Authority in order to assess whether the applicant meets the requirements in Schedule 3	CTSI or the auditor appointed by CTSI may request information to support the application by the ADR applicant.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Examples of changes that need to be communicated are: addresses, ADR staff, policy changes, etc.
Part 2:11 (1)	Notify, without undue delay, any changes to the initial application and any further information requested by CTSI that was used in order to assess whether you met the requirements to be approved.	You are required to notify CTSI of any changes to the initial application information, or information relevant to your ongoing approval.	

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Part 2:11 (2) & Schedule 5	Provide and publish on your website within one month of the first anniversary of the approval date and within a month of each following anniversary, an annual activity report relating to the full preceding year. The report needs to contain all the information listed in appendix D.	<p>The information that you are required to provide annually in your report is set out in appendix D.</p> <p>The deadline for this report to be submitted to CTSI is within one month of the first and subsequent anniversaries, of the date you were granted approval. The report will relate to activities that have occurred within that year only.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Planning needs to take place to ensure that the correct data is being collected and collated.
Part 2:11 (3) & Schedule 6	Provide to the relevant Competent Authority, within one month of the second anniversary of the approval date, and within a month of each successive two year period, an activity report relating to the two full preceding years. The report needs to contain all the information listed in appendix E.	<p>The additional information that you are required to provide to CTSI every 2 years, is set out in appendix E.</p> <p>The report will relate to activities that have occurred within that two-year period only.</p> <p>CTSI will use this information primarily for the collation of statistics required by the EU Commission and other stakeholders.</p> <p>To assess whether you are still meeting approval requirements.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Planning needs to take place to ensure that the correct data is being collected and collated.
Schedule 3:1 (a)	ADR body offers alternative dispute resolution services for domestic and cross border disputes on consumer contracts initiated by a consumer against a trader.	An approved ADR body needs to be willing to accept domestic and cross border disputes from consumers regarding a consumer contract dispute.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Samples of consumer complaints, both domestic and cross border will be requested.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3:1 (b)	Are not formed as an ADR organisation simply to deal with one domestic or cross border dispute	The ADR body needs to be able to prove that they are independent, impartial, and transparent etc.; this cannot be done with only one complaint.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Samples of complaints will be seen by the auditor on site visit. The auditor will pick these at random.
Schedule 3:1 (c)	The ADR body does not offer ADR services where an ADR official responsible for the dispute is either employed, or remunerated directly by a trader who is party to the dispute.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Evidence of who staff are employed by • Potentially discussed in interviews with ADR officials • Staff budget detail and where money comes from for salaries.
Amendment Regs 19-1 & 19A -1	A trader who is obliged to use ADR by law, rules of a trade association, or term of contract, must provide the name and website address of the ADR entity or EU listed body on their website (if available), or in general terms and conditions of sales or service contracts (if available). An online trader must provide a link to the ODR platform in an offer made to the consumer by email. Both an online trader and online market place must provide a link to the ODR platform on their website.	This requirement is met by means of a link on your website to the appropriate page of the ec.europa website.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • Evidence will need to be seen on website.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3 (2a)	Maintain an up-to-date website which provides the parties in dispute with easy access to information concerning the ADR procedure offered by the body.	<p>An up to date and user-friendly website is an essential tool for the consumer and trader ('the parties') in dispute to access your service.</p> <p>The website must allow the electronic submission of the initial complaint and related/subsequent documentation.</p> <p>A website is required to address many of the requirements you will need to meet for initial and ongoing approval.</p> <p>ADR approval is applicable to Consumer to Business disputes only and does not cover Business to Consumer or Business to Business disputes.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • The auditor will access the website and test processes.
Schedule 3 (2b)	Provide parties, at their request, with information concerning the ADR procedure in a 'durable medium'.	<p>A 'durable medium' means paper or email, or any other medium that—</p> <p>(a) allows information to be addressed personally to the recipient,</p> <p>(b) enables the recipient to store the information in a way accessible for future reference for a period that is long enough for the purposes of the information, and</p> <p>(c) allows the unchanged reproduction of the information stored;</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • We will expect to see what you propose to send out if information on the ADR procedure is requested.
Schedule 2 (c)	Ensure that the website enables a consumer to file an initial complaint submission, and any necessary supporting documents, on line.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> • The auditor will access the website and test electronic processes. Arrangements.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 2 (d)	Enable the consumer to file an initial complaint submission by post.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> • The auditor will check that the body's address is prominently displayed and also examine the postal process.
Schedule 2 (e)	Enable the exchange of information between the parties via electronic means or, if one of the party wishes by post.	<p>Electronic means can be online via website or email and should allow the attachment of relevant documents (evidence, defence, photographs etc.).</p> <p>You must make provision for those that do not have access to electronic communication methods to use the post.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • The auditor will test the electronic process and also examine the postal process.
Schedule 2 (f)	Accept both domestic and cross- border disputes, including disputes referred via the online dispute resolution platform.	<p>Domestic Dispute is defined as: a dispute concerning contractual obligations arising from a sales contract or a service contract where, at the time the consumer orders the goods or services, the consumer is resident, and the trader is established, in the United Kingdom.</p> <p>Cross Border Dispute is defined as: a dispute concerning contractual obligations arising from a sales contract or a service contract where, at the time the consumer orders the goods or services, the trader is established in the United Kingdom and the consumer is resident in another member State;</p> <p>The Online Dispute Resolution (ODR) platform is an EU mechanism for directing disputes regarding online purchases to the appropriate approved ADR provider. You need to have a mechanism for receiving disputes via the ODR platform.</p>	

Expertise, Independence and Impartiality

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3, 3 (a)	That you ensure each 'ADR official' possesses a general understanding of the law, and the necessary knowledge and skills in the field of out of court or judicial resolution of consumer disputes, to be able to carry out their functions competently.	<p>'ADR official' is defined as: An individual who (solely or with other persons) is involved in the provision of alternative dispute resolution procedures offered by an ADR entity, or ADR applicant, whether as a case handler or in a management capacity.</p> <p>The particular operating model of some ADR providers is such that where large numbers of case handlers are involved; auditors will be looking to see that the requirements are met based on an appropriate sample of ADR officials within the organisational structure.</p> <p>We suggest some record should be maintained of who within the organisation has been judged competent to be an 'ADR official' at any particular time including who has made that judgement and on what basis.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● CV's ● Training logs ● Appraisals and objectives with timely reviews and follow up. ● Records of case monitoring and follow up. ● Records of complaints to ADR body on case handling and follow up.
Schedule 3 (b)	That you ensure each 'ADR official' is appointed for a term of office of sufficient duration to ensure the independence of their actions and that they cannot be relieved of their duties without just cause.	<p>To record the term of office of each ADR official and why you believe it is sufficient to ensure independence of actions.</p> <p>To record the reasons why any ADR official was removed from their position before the end of their term of office.</p> <p>Where staff are sub contracted on a case by case basis, or for short periods, records why they have ceased working.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Clear records of start and finish (or whether 'permanent') dates and why they ceased employment. ● Contact details of sub contracted staff in case evidence needed.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3 (c)	That you ensure no 'ADR official' discharges their duties in a way that is biased to either party of the dispute, or their representatives.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● This should be within the written complaint handling process ● Could be in terms of employment ● Potentially discussed in interview with ADR officials.
Schedule 3 (d)	That each 'ADR official' is remunerated in a way that is not linked to the outcome of the dispute resolution procedure.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Log of disclosure of conflict of interest/ bias ● Potentially discussed in interviews with ADR officials.
Schedule 3 (e)	That you ensure each 'ADR official', without undue delay, discloses to you any circumstances that may, or may be seen to affect their independence and impartiality or give rise to a conflict of interest with any party to the dispute they are asked to resolve.	<p>The disclosure requirement requires not only circumstances that may affect independence and impartiality, but also that may be seen to do so.</p> <p>If the organisation only uses one ADR official the parties need to be made aware of the conflict.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Log of disclosure of conflict of interest/ bias ● This should be within the written complaint handling process ● Potentially discussed in interviews with ADR officials.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3 (f)	The obligation to disclose such circumstances shall be a continuing obligation throughout the dispute resolution procedure.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Log of disclosure of conflict of interest/ bias ● This should be within the written complaint handling process ● Potentially discussed in interviews with ADR officials.
Schedule 3 (g)	That where ADR officials are employed or remunerated exclusively by a professional organisation or business association, a ring fenced budget is available.	<p>In this case you must have a separate and dedicated budget which allows remuneration of ADR officials and the certified ADR operation.</p> <p>There should be no link between dispute result and remuneration of the ADR Official.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● It might be necessary to view budget information ● Alternatively this requirement might be met by a clear and unambiguous statement, signed and given to CTSI for our records with an unsigned copy made available on the relevant website.
Schedule 3 (h)	That you engage an equal number of representatives of consumer interests and trader interests, where the operating model of your dispute resolution procedure is to have a group of more than one person (a collegial body) with representatives of both professional organisations, or business associations and consumer organisations.	Where your ADR procedure is such that the dispute is examined by a panel of representatives, then equality is required in relation to consumer and business interests.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Details to be provided of named persons on panel their job titles and roles ● Details of past panels.

Conflict of interest procedures

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 4 (a)	There is a procedure in place to replace an ADR official who declares they have a conflict of interest, in relation to a dispute.	Clearly, this option is not possible where you operate as only one ADR official. Document the details of this procedure.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● We will expect to see evidence that you have made both parties aware that you are the only ADR official ● Log of disclosure of conflict of interest/ bias ● This should be within the written complaint handling process ● Could be added in contracts of employment ● Potentially discussed in interviews with ADR officials.
Schedule 3: 4 (bi & ii)	If an ADR official who declares a conflict of interest cannot be replaced by another ADR official, then the ADR official must stop conducting the dispute resolution procedure. The procedure must require; where possible, that a proposal is put to the parties that they submit their dispute to another ADR organisation competent to deal with it.	Record the details of this occurrence, the reasons for what happened and decisions made. Recording the information is important as the percentage of discontinued dispute resolution procedures that occur, forms part of the activity information and reports that you need to supply to CTSI. In relation to the annual report, the reasons for discontinuation are also required. If another ADR body is offered to the parties, it should be a certified one and must be competent in dealing with the type that the dispute.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● Log of disclosure of conflict of interest/ bias ● This should be within the written complaint handling process ● Could be added in contracts of employment ● Potentially discussed in interviews with ADR officials.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
3: 4 (ci-iii)	<p>Where it is not possible to transfer the dispute to another ADR body this must be notified to the parties with details of the circumstances of the conflict of interest. The parties have a right to object to that official continuing to handle their dispute and that the organisation can only continue to deal with the dispute if no party objects.</p>	<p>A record of the full situation should be kept. Accurate reporting is important as this is required for the annual report.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● We will expect to see evidence of the ADR informing both parties of the circumstances ● We will expect to see evidence of the ADR informing both parties of their rights to object the conflict ● We will expect to see documents containing evidence stating that neither party objected ● Potentially discussed in interviews with ADR officials.

Transparency

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 5	Make publicly available on your website or on a durable medium upon request, the following information in a clear and easily understandable way.	<p>A durable medium is defined as: paper or email, or any other medium that—</p> <p>(a) allows information to be addressed personally to the recipient,</p> <p>(b) enables the recipient to store the information in a way accessible for future reference for a period that is long enough for the purposes of the information, and</p> <p>(c) allows the unchanged reproduction of the information stored;</p>	
Schedule 3: 5 (a)	Your contact details including postal address and e mail address.	This needs to be easily accessible and prominent.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> Information should be easily found by auditor on the website.
Schedule 3: 5 (b)	A statement that you have been approved as an ADR body by the appropriate competent authority (Once approval is granted).		<p>Examples of evidence:</p> <ul style="list-style-type: none"> The auditor will assess this process from an average consumer's point of view via the website.
Schedule 3: 5 (c)	Your ADR officials, the method of their appointment and duration of their appointment.	Information needs to be clear and cover all points.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> Information should be easily found by auditor on the website.
Schedule 3: 5 (d)	The name of any network of bodies which facilitates cross border ADR of which it is a member.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> Information should be easily found by auditor on the website.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 5 (e)	The type of dispute (domestic or cross border) that you are competent to deal with, including any financial thresholds which apply.	This needs to be clear but may be within the ADR process on the website. It is advisable to put all information in Schedule 3:5 in one place so that it is clear and transparent.	Examples of evidence: <ul style="list-style-type: none"> ● Information should be easily found by auditor on the website.
Schedule 3: 5 (f)	The ADR procedural rules that you operate and the grounds on which you can refuse to deal with a dispute as outlined in Schedule 3:13.		Examples of evidence: <ul style="list-style-type: none"> ● Information should be easily found by auditor on the website.
Schedule 3: 5 (g)	The language in which you will accept an initial complaint.		Examples of evidence: <ul style="list-style-type: none"> ● Information should be easily found by auditor on the website ● Should also be clear in complaint submission guidance for consumers.
Schedule 3: 5 (h)	The language in which the ADR procedure can be conducted.		Examples of evidence: <ul style="list-style-type: none"> ● Information should be easily found by auditor on the website ● Should also be clear in complaint submission guidance to consumers.

Schedule 3: 5 (i)	The principles you apply, and the main considerations you take into account when seeking to resolve a dispute. (For example: legislation, considerations of equity, codes of conduct etc.)	This should be detailed so that it is clear to those using your ADR service.	Examples of evidence: ● Information should be easily found by auditor on the website.
Schedule 3: 5 (j)	The requirements, if any, which a party to a dispute need to have met before the ADR procedure can commence.	This needs to be clear and detailed.	Examples of evidence: ● Information should be easily found by auditor on the website.
Schedule 3: 5 (k)	A statement as to whether or not the party to a dispute can withdraw from the ADR procedure once it has started.	This needs to be clear and detailed.	Examples of evidence: ● Information should be easily found by auditor on the website.
Schedule 3: 5 (l)	The costs to the parties, if any, including the rules, if any, you have on awarding costs at the end of the ADR procedure.	This needs to be clear and detailed.	Examples of evidence: ● Information should be easily found by auditor on the website.
Schedule 3: 5 (m)	The average length of the ADR procedure.	This needs to be clear and detailed.	Examples of evidence: ● Information should be easily found by auditor on the website.
Schedule 3: 5 (n)	The legal effect of the outcome of the ADR procedure. For example, is it binding on one or both of the parties or is it a suggested outcome for the parties etc. In addition, the enforceability of the outcome and the penalty for non-compliance, if any.	This should be in clear language.	Examples of evidence: ● Information should be easily found by auditor on the website.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 5 (o)	A statement as to whether or not the ADR procedures you operate can be conducted by oral or written means (or both).		Examples of evidence: <ul style="list-style-type: none"> Information should be easily found by auditor on the website.
Schedule 3: 5 (p)	Make publicly available on your website, or on a durable medium upon request, the annual activity report that you are required to supply to CTSI.	The most recent report needs to be publicly available.	Examples of evidence: <ul style="list-style-type: none"> Information should be easily found by auditor on the website.
Amendment Regulations 14 A: 1 (a & b)	Cooperate with other ADR entities in resolving cross-border disputes & conduct regular exchanges of best practices with other ADR entities regarding settlement of cross-border & domestic disputes.	This ensures transparency between different ADR bodies seeking dispute resolution and cooperation to continually improve dispute resolution techniques and processes.	Examples of evidence: <ul style="list-style-type: none"> The auditor will ask to see evidence of this when annual reports are due.
Amendment Regulations 14 A: 2 (c)	Take appropriate steps to cooperate with those consumer protection law bodies designated by the UK Government to enforce consumer protection laws. In particular with regards to the exchange of information on practices in specific business sectors which consumers have repeatedly lodged complaints.	Share knowledge of particular sectors of business that are causing complaints will allow enforcers & those business sectors to work together in seeking to implement solutions. The introduction of this specific requirement indicates that any steps for exchange of information would be extra to that provided for, by data published in yearly and twice yearly reports.	Examples of evidence: <ul style="list-style-type: none"> The auditor will ask to see evidence of this when annual reports are due.

Effectiveness

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 6 (a)	The ADR procedure you operate is available and is easily accessible to the parties irrespective of where they are located, both by electronic and non- electronic means.	The ADR procedure must be available and easily accessible both online and offline and wherever the parties are located, including where applicable to parties in other EU member states.	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This should be within the written complaint handling process.
Schedule 3: 6 (bi)	The parties must have access to the ADR procedure without being obliged to obtain independent advice or be represented or assisted by a third party, although they may choose to do so.	<p>Access to the ADR procedure must be permitted without being obliged to; for example, appoint a lawyer or a legal advisor.</p> <p>The procedure should not prevent the parties of their right to independent advice or to be represented or assisted by, for example, a friend at any stage of the procedure should they want to. The ADR body should advise parties of this requirement at the start of the process, and at suitable steps during the procedure.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This should be within the written complaint handling process.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 6 (bii)	Your ADR procedure needs to be free of charge or available at a nominal fee for consumers.	<p>What constitutes a nominal fee will be dependent upon a number of factors specific to each ADR provider. Any small fee or charge can be referred to as a nominal fee.</p> <p>Irrespective of which part of the ADR procedure is utilised (mediation, Conciliation, adjudication) by the consumer, only a nominal fee may be charged.</p> <p>There is no restriction as to the fee that can be charged to the trader and as such overall ADR costs are likely to be born directly by traders. Indirectly of course that cost is paid by consumers in the price they pay for goods & services.</p> <p>Some organisations such as the small claims section of the county court have fees that are tiered, depending upon the amount of the overall claim. However, the fee level at each tier should still be nominal, relative to the amount at dispute within the tier. The funding of ADR provision is not a burden the consumer must bear in the business model you operate.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This will be discussed with the auditor during the audit.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3: 6 (c)	<p>The parties to the dispute must be notified as soon as you have received the 'complete complaint file'. Unless the parties have already been notified that you are refusing to deal with the dispute.</p>	<p>Once a 'Complete complaint file' has been received the parties in dispute need to be informed by the issue of a notice. A complete complaint file means all the relevant information relating to the dispute. This is not restricted to only the information from the consumer and trader, but also any required expert opinions, witness statements, external evidence etc. This is an important definition, as you will only have 90 days to provide an outcome to the ADR procedure from when the notice is given.</p> <p>Record when you consider that you have received a complete complaint file.</p> <p>This figure needs to be recorded as annual report requires detail of cases being handled within 90 days.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● This should be within the written complaint handling process ● Examples of where the parties have been notified of the 'complete complaint file' will be a requested by the auditor.
Schedule 3: 6 (d)	<p>The outcome of the ADR procedure must be notified to the parties within a period of 90 days from the date on which you have issued the notice confirming the 'complete complaint file' has been received. However, in the case of 'highly complex' disputes, you may, at your own discretion, extend the 90 calendar day time period. You will need to inform the parties of the extension and how long it will be.</p>	<p>Record how and when parties were informed of any outcome and in complex cases, any extension time and the reasons why the case was considered 'highly complex'.</p> <p>The judgement as to 'highly complex', will be dependent on the circumstances and would be relative to, for example, any non- complex cases you deal with.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● This should be within the written complaint handling process ● Evidence will be asked for on site visit.

Fairness

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.7 (a)	To ensure the parties have the possibility, within a reasonable period of time, of expressing their points of view regarding the dispute.	The facility for the parties to do this should be within your process. This shows transparency and independence.	Examples of evidence: <ul style="list-style-type: none"> • This should be within the written complaint handling process.
Schedule 3.7 (b)	To provide a party, upon request and within a reasonable time, with the arguments, evidence, documents and facts put forward by the other party to the dispute. This includes any statements made and opinions given by experts.	Sharing of information assures the parties of the transparency and independence of the ADR entity.	Examples of evidence: <ul style="list-style-type: none"> • This should be within the written complaint handling process.
Schedule 3.7 (c)	When provided with this information, you will need to allow the party a reasonable time to comment on the information and documents.	A reasonable amount of time should be allowed for the parties to consider the documents and comments.	Examples of evidence: <ul style="list-style-type: none"> • This should be within the written complaint handling process.
Schedule 3.7 (d)	To inform the parties to the dispute that they are not obliged to retain a lawyer or a legal advisor, but they may seek independent advice or be represented or assisted by a third party at any stage of the procedure.	ADR body is expected to remind the parties of this right at suitable breaks or stages in the ADR dispute procedure and record this has happened.	Examples of evidence: <ul style="list-style-type: none"> • It should be stated clearly within the written complaint handling process that is provided to the parties, that legal advice/ representation is not required but they can seek independent advice, or be assisted in the process by a third party.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.7 (e)	To notify the parties of the outcome of the ADR procedure on a durable medium and to provide a statement of the 'grounds' on which the outcome is based.	<p>Durable medium for this purpose means paper or email, or any other medium that—</p> <p>(a) allows information to be addressed personally to the recipient,</p> <p>(b) enables the recipient to store the information in a way accessible for future reference for a period that is long enough for the purposes of the information, and</p> <p>(c) allows the unchanged reproduction of the information stored;</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● It should be stated clearly within the written complaint handling process ● Evidence will be seen on the onsite visit.
Schedule 3.8 (a)	Where the ADR dispute procedure is one that aims to resolve the dispute by proposing a solution, you will need to ensure the parties have the possibility of withdrawing from the procedure at any stage if they are dissatisfied with the performance or the operation of the ADR dispute procedure.	<p>The ability to withdraw from the ADR dispute procedure will not apply to a trader who is obliged to participate because they are either; legally required to do so or they are a member of a trade association and the trade association rules require it, or a term of a contract requires it. You need to ensure parties are informed of that right before the procedure commences.</p> <p>You should record when the parties were informed of any withdrawal rights.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● This should be detailed in the written complaint handling procedure ● Evidence can also be shown in case management notes or files.
Schedule 3.8 (b)	To inform the parties of their right to withdraw from the ADR procedure at any stage, should they wish to do so.		

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.8 (c)	<p>The parties, before agreeing or following a proposed solution, are informed that:</p> <p>(i) they have the choice as to whether or not to agree to, or follow the proposed solution;</p> <p>(ii) participation in the procedure does not prevent the possibility of seeking redress through court proceedings;</p> <p>(iii) the proposed solution may be different from an outcome determined by a court applying legal rules; and</p> <p>(iv) the legal effect of agreeing to, or following the proposed solution.</p>	<p>The options of this requirement will not apply to a trader who is obliged to accept the solution proposed, if the consumer accepts it, because they are either legally required to do so; or they are a member of a trade association and the trade association rules require it; or a term of a contract requires it.</p> <p>You should inform both parties of the trader position before agreeing to, or following a proposed solution.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This should be detailed in the written complaint handling procedure • Evidence will be asked for to prove that this information is provided to the parties before the procedure commences.
Schedule 3.8 (d)	<p>The parties, before expressing their consent to a proposed solution or amicable agreement, are allowed a reasonable period to reflect.</p>	<p>Where the trader is under a legal obligation or under the rules of a trade association, required to accept the outcome; or a term of a contract requires it, (once the consumer has accepted the outcome), the right of reflection does not apply to the trader. You should advise the parties of the trader position where this is the case.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This should be detailed in the written complaint handling procedure.

Legality

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.11 (a)	To ensure that if the ADR procedure aims to impose a solution on the consumer, and there is no conflict of laws (same law dispute), the solution imposed does not result in the consumer being deprived of the protection those laws allow for. That is, unless those laws are allowed to disapply, by agreement of the parties.	<p>This requirement only applies where your ADR procedure provides for you to impose a settlement on the consumer. No conflict of laws occurs, for example, when the dispute is purely a 'domestic dispute' (i.e. between a UK resident consumer and a UK 'established' trader).</p> <p>The more detailed meaning of 'domestic dispute' & 'established' are given in appendix A. The laws that you cannot deny the consumer in relation to a 'domestic dispute', are the UK statutory consumer protection laws. Sometimes these statutory consumer protection laws do not apply, but this is only where those laws say this can happen and only then, where both parties have agreed it can happen.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● On site visit will examine sample of cases that have reached solution.
Schedule 3.11 (b)	To ensure that if the ADR dispute resolution procedure aims to impose a solution on the consumer, and there is a conflict of laws (conflicting law dispute), the solution imposed does not result in the consumer being deprived of the protection those laws allow for by virtue of the European country the consumer is 'habitually resident'. That is, unless those laws are allowed to disapply, by agreement of the parties.	<p>This provision only applies where the ADR procedure provides for you to impose a settlement on the consumer. A conflict of laws occurs, when the law agreed to be applied in relation to the dispute is not the law where the consumer is 'habitually resident'. For example a 'cross-border dispute' (i.e. between a UK 'established' trader and a non UK resident consumer).</p> <p>The settlement cannot deny the consumer their statutory consumer protections under the law of the EU Member State where they are resident. The more detailed meaning of 'cross-border dispute' and 'habitually resident' are given in appendix A.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● On site visit will examine sample of cases that have reached solution.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
ADR Regs Amendment – S.14.b	An agreement between a consumer & trader to submit a cross-border or domestic dispute to an ADR entity, is not binding on the consumer if the agreement to do so was made before the dispute materialised and it deprives the consumer of the right to bring judicial proceedings in relation to the dispute.	This requirement makes ineffective, for example, any contractual terms that bind a consumer to ADR as the only method to resolve a dispute, the terms being agreed before a dispute even arose. Such terms are also now controlled by means of The Consumer Rights Act 2015 provisions in relation to unfair contract terms.	
ADR Regs Amendment – S.14.c	<p>Where an ADR entity aims to resolve a dispute by 'imposing' a solution, that solution is not binding on a party to the dispute unless, before a party is notified of the outcome of the dispute resolution procedure;</p> <ul style="list-style-type: none"> ● the ADR entity notifies the party that the outcome will be binding and ● the party specifically accepts that it will be binding 	<p>This will not apply to disputes where no solution is to be imposed by the procedure, for example a solution is just 'proposed'.</p> <p>This requirement will also not apply to a trader who is bound to an imposed solution because they are legally required to be or they are a member of a trade association and the trade association rules require it or a contract term requires it.</p> <p>Some sort of written or positive acceptance recording mechanism (in the case of online procedures) would be good practice, to avoid any later dispute as to 'acceptance' being raised by either party aggrieved by the outcome.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> ● This should be detailed in the written complaint handling procedure and there should be clear evidence that the information is provided to the parties before the start of the procedure.

Grounds to refuse to deal with a dispute

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.13 (a)	(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader.	You are allowed to refuse to deal with a dispute if the consumer has not 'attempted' to try to contact and resolve the matter with the trader first. This does not mean that you cannot seek to help the consumer (or a trader) in ways, other than ADR. Appendix G sets out guidance on the trader information requirements. The attempt made by the consumer must be a realistic one, although it is an attempt that is required and many disputes arise because a trader fails to respond to attempts from a consumer to raise problems about a transaction.	
Schedule 3.13 (b)	(b) The dispute is frivolous or vexatious.	If the matter at dispute is one that appears trivial or petty then you may refuse to deal with it. However, this has to be judged carefully against an issue that is, for example, a minor defect. A minor defect being grounds for civil law liability. In addition, if the nature of the dispute is maliciousness and there appears no evidence of the problem reported, you may refuse to deal with it.	
Schedule 3.13 (c)	(c) The dispute is being, or has been previously, considered by another approved ADR provider or by a court;	The court may be a civil one or a criminal court that has been asked to consider, for example, compensation in relation to what would otherwise be a criminal matter. Only if the dispute has or is being considered by another listed approved ADR provider, can you refuse to deal with it.	
Schedule 3.13 (d)	(d) The value of the claim falls below or above the monetary thresholds you have set.		

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3.13 (e)	(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than the 'prescribed period'.	If your policies currently require a lesser time than the prescribed period then they will need to be changed to meet this requirement. It would be good practice for traders to point out, at the giving of final notice, that while consumers have at least the prescribed period to take a complaint to an approved ADR provider; the longer a consumer waits to initiate ADR procedures, the more difficult it can often be to obtain evidence and facts and this could be detrimental to their case. The prescribed period is defined in appendix A.	
Schedule 3.13 (f)	(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	This is wide ranging in its meaning and might cover, for example, a dispute relating to such a complex issue that it would consume all of your resources to deal with it and thus damage the quality or even ability of your organisation to be involved in any other disputes. Based on your previous experience, it would be good practice to set out examples of the type of dispute that you have received in the past that may fall within this category.	
Schedule 3.14	The body ensures that its policy regarding when it will refuse to deal with a dispute, including in relation to the level of any monetary threshold it sets, does not significantly impair consumers' access to ADR	A monetary limit that would unreasonably prevent access to your ADR procedure, will be a judgement based on your particular operating model, sector and the value of the disputes with which you consider.	Examples of evidence: ● Auditor will look at cases that the body have refused to deal with to see if the reasons for refusal are impairing consumer's access.

Legislation ref	Requirement	Guidance	Evidence/Auditor review
Schedule 3:15 Amendment Regulations 17 & 19	Where, in accordance with your policy on refusals you are unable to consider a dispute submitted to you, that you provide both parties with a reasoned explanation of the grounds for not considering the dispute as soon as reasonably practicable. If the dispute is received via the Online Delivery Platform (ODR), the parties must be informed either of your agreement or refusal to deal with the dispute without delay. This must also be communicated to the ODR platform without delay.	<p>The decision to not deal with a dispute can be made up to three weeks from the date when final submissions from the parties are received. But cannot* be made if you have given notice that you have received the complete complaint file.</p> <p>What constitutes a 'Complete Complaint file' is set out in appendix A: Complete Complaint File - Constitutes the file once you as an ADR provider have received the information from the consumer and from the trader.</p>	<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This needs to be detailed in procedural rules and should be available on line • Auditor will check website and documentation.
Schedule 3:16	If one of the parties has sought to deliberately mislead you on a matter relating to the existence or non-existence of one of the grounds for refusing to deal with the dispute, you retain the right to immediately refuse to deal with the dispute any further, even though the three-week deadline has passed.		<p>Examples of evidence:</p> <ul style="list-style-type: none"> • This needs to be detailed in procedural rules and should be available on line • Auditor will check website and documentation.

Citizens Advice 'ADR' Helpdesk function

Citizens Advice provides an ADR helpdesk to help consumers to navigate the ADR landscape. To enable this function effectively, correct and up-to-date information about their contact channels and scope needs to be gathered from approved ADR bodies.

CTSI will not withhold approval from any ADR body, solely on the grounds of failing to work effectively with Citizens Advice. However, as the helpdesk role is an important one, particularly to more vulnerable consumers, the workings of the relationship between the audited ADR body and Citizens Advice is important. CTSI will assist Citizens Advice in the gathering of appropriate data for the purpose of the Helpdesk.

Appendix A Definitions

Term	Definition in the Regulations	Guidance and Examples
ADR Official	ADR official” means an individual who (solely or with other persons) is involved in the provision of alternative dispute resolution procedures offered by an ADR entity, or ADR applicant, whether as a case handler or in a management capacity.	As well as those actively involved in the particular ongoing disputes, the requirements that ADR officials must meet also apply to those who manage those staff and even those who manage or direct the whole operation. For example, directors of an ADR provider company. This does not mean, that the ADR official must be exclusively involved in overseeing ADR procedure work, especially when considering managerial and director positions. If aspects of the customer’s journey through the ADR procedure are contracted out, for example, self- employed dispute handlers or by using an external ombudsman service as a final part of the dispute resolution mechanism, then these persons will be involved in the provision of ADR.
Average length of ADR procedure/ time to resolve disputes.	N/A	Calculations need to be based upon the time from when you as an approved ADR provider, receive a complaint submission from a consumer, to the time when an outcome has been reached.
Competent	N/A	That you have the relevant combination of organisational or individual knowledge, training and experience of a particular kind of dispute, to allow you to understand the technicalities of that dispute and provide options and pathways for solutions that have previously proved successful. For example, resolving a contractual dispute relating to the purchase of a faulty car, might require at least a basic understanding of how a car works in addition to legal and other knowledge.
Complaint file	N/A	Constitutes the file once you as an ADR provider have received the information from the consumer and from the trader.

Term	Definition in the Regulations	Guidance and Examples
Complete complaint file	Means all the relevant information relating to the dispute.	Not only all the information needed from the consumer and trader (the 'complaint file'), but also any required expert opinions, witness statements, external evidence etc., that is needed.
Consumer	Means an individual acting for purposes which are wholly or mainly outside that individual's trade, business, craft or profession.	<p>In some circumstances it will be obvious when an individual is not acting as a consumer, for example, an individual using a trading name who buys some accounting computer software asks to be invoiced for payment. In other cases it will be more difficult. An employee of a company sent to buy a pair of safety boots using petty cash, for example.</p> <p>A consumer must be an individual and so cannot be, for example, a sole trader, a company or a local authority. However, an individual may act on behalf of a group of individuals. For example, a contract for supply of concert tickets to an individual, where each in the group shares the cost.</p> <p>Some traders may of course provide statutory rights and treat the dispute as a consumer one even when an individual is not acting as a consumer. That will be their commercial decision; however such a dispute would not fall within ADR approval. Where there is a question as to the status of a consumer in a dispute, the trader must prove that an individual is not acting as a 'consumer'.</p>
Cross border dispute	Means a dispute concerning contractual obligations arising from a sales contract or a service contract where, at the time the consumer orders the goods or services, the trader is established in the United Kingdom and the consumer is resident in another member State;	
Domestic dispute	Means a dispute concerning contractual obligations arising from a sales contract or a service contract where, at the time the consumer orders the goods or services, the consumer is resident, and the trader is established, in the United Kingdom;	

Term	Definition in the Regulations	Guidance and Examples
Durable medium	<p>Means paper or email, or any other medium that—</p> <p>(a) allows information to be addressed personally to the recipient,</p> <p>(b) enables the recipient to store the information in a way accessible for future reference for a period that is long enough for the purposes of the information, and</p> <p>(c) allows the unchanged reproduction of the information stored;</p>	
Established (trader)	<p>(a) If the trader is an individual, where the trader has his or her place of business;</p> <p>(b) if the trader is a company or other legal person or an association of persons, where it has its statutory seat, central administration or place of business, including a branch, agency or any other establishment.</p>	<p>Deciding which country a trader is based in, depends upon whether they are an individual or some other legal entity. If an individual, then this could be a shop or a home address if that is where they are based. Other legal entities can be judged as being based at a number of locations depending upon their particular operational structure. For example, a limited company supplying cars may have a registered office address in France at an accountants', a car salesroom in Nottingham and a head office and call centre in Belgium.</p>
Habitually resident	<p>“Habitual residence” is being determined in accordance with Regulation (EC) No 593/2008(b).</p>	<p>The country where the person lives as determined by, (EC) No 593/2008 (b) on the law applicable to contractual obligations (Rome I).</p>

Term	Definition in the Regulations	Guidance and Examples
Health Services	<p>Services provided by health professionals to patients to assess, maintain or restore their state of health, including the prescription, dispensation and provision of medicinal products and medical devices (and “health professionals” has the meaning given by Article 3(f) of Directive 2011/24/EU of the European Parliament and of the Council on the application of patients’ rights in cross-border healthcare).</p>	<p>Health professionals’ are, for example, doctors of medicine, nurses, dentists, a midwife or a pharmacist etc. Therefore, health services are when such persons provide these services by, for example, providing prescription medicines, removing a tooth, providing plastic surgery etc. The boundaries of this definition can be very wide ranging indeed and so an ADR provider who is dealing with disputes that may involve health services will need to take specialist legal advice.</p>
Online marketplace	<p>Has the meaning given in Article 4(f) of the Regulation (EU) No 524/2013 of the European Parliament and the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC.</p>	<p>Means a service provider which allows consumers and traders to conclude online sales and service contracts on the online marketplace’s website. Many traders now use other websites to sell goods and services to consumers, thus operating without the need for their own website.</p>
Online sales contract	<p>Means a sales contract where the trader or the trader’s intermediary, has offered goods on a website or by other electronic means and the consumer has ordered such goods on that website or by other electronic means.</p>	<p>This is a slightly more complex definition compared to that for a sales contract, as goods displayed for sale on a website are usually seen as displayed as an invitation, so that the consumer can make an offer to buy them. The definition here should be taken as meaning that goods displayed by either the trader or an intermediary of some sort, are ‘offered goods’, when the consumer goes on to be able to order them. While the order must be made on the same website, the order using other electronic means may be in a different location.</p>

Term	Definition in the Regulations	Guidance and Examples
Online service contract	Means a service contract where the trader or the trader's intermediary, has offered services on a website or by other electronic means and the consumer has ordered such services on that website or by other electronic means.	See Online sales contract.
Online trader	Means a trader who intends to enter into online sales contracts or online service contracts with consumers.	There is no requirement for contracts to actually have been made for the definition to apply and the information requirements linked to this definition to be required. An online trader may operate using the website of a service provider. See 'Online Marketplace'.
Prescribed period	Means 12 months from the date on which a trader informs a consumer that the trader is unable to resolve the consumer's complaint (the 'notice date'). However, where the notice date has occurred before the date you have become an approved ADR entity, then the prescribed period will be the time period for the submission of complaints as set out in the rules you operate on the 'notice date'.	In this case whatever time limits for bringing complaints that existed under your rules prior to approval, would be permitted. There continues to be ambiguity regarding the situation when a trader does not respond to a consumer. In this case 'notice' and the subsequent 'notice date' may be deemed to be given & reached respectively, when the trader fails to respond & a date when more than a reasonable time has elapsed for the trader to act has passed.

Term	Definition in the Regulations	Guidance and Examples
Sales contract	Means a contract under which a trader transfers or agrees to transfer the ownership of goods to a consumer, and the consumer pays or agrees to pay the price, including any contract that has both goods and services as its object;	This now includes sale of digital content. Contracts for such 'digital content' for the purposes of these requirements should be considered as either goods or services, as best they fit into each category. For example, a music compact disc is goods although the music it contains is digital content.
Service contract	Means a contract, other than a sales contract, under which a trader supplies, or agrees to supply a service to a consumer and the consumer pays, or agrees to pay, the price.	See 'Sales contract' in relation to disputes concerning 'digital content'.
Trader	Means a person acting for purposes relating to that person's trade, business, craft or profession, whether acting personally or through another person acting in the trader's name or on the trader's behalf.	A 'person' can mean more than one individual, for example, if a business is a partnership of two or more people. A 'person' can also be a company, a charity (or other not for profit organisation), a government department, a local authority or a public authority. If you are a trader that allows another person to act in your name or on your behalf, you would still be responsible for those contracts. For example, you employ people to make contracts for goods with consumers or you sub-contract with someone else to supply all or part of a service.
'Type(s)' of dispute	N/A	There can be many ways of describing the different kinds of dispute that you deal with. This could be very general, for example, 'shoe sales' or a more complex system of categorisation. For example, you may have major and sub categories in relation to the 'types' of goods and services in dispute, such as; Electrical goods (Major), with televisions, laptops etc. as sub-categories. You may also have multiple categorisations, for example, a goods & services category and also the legal 'type' of dispute, for example, not as described, not fit for purpose. In addition, you may have no category system at all if you are very specialist or only deal with a very small number of disputes or do not feel the need to limit the kinds of matters you deal with.

Appendix B - Permitted grounds for dispute refusal

Set out below from (a) to (f) are the permitted grounds that you may refuse to deal with a dispute, in relation to approved ADR work. You may wish to apply all or some or none of these to your operation. However, you cannot use any other grounds for refusal.	Guidance
(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader.	You are allowed to refuse to deal with a dispute if the consumer has not 'attempted' to try to contact and resolve the matter with the trader first. This does not mean that you cannot seek to help the consumer (or a trader) in ways, other than ADR. Appendix G sets out guidance on the trader information requirements. The attempt made by the consumer must be a realistic one, although it is an attempt that is required and many disputes arise because a trader fails to respond to attempts from a consumer to raise problems about a transaction.
(b) The dispute is frivolous or vexatious.	If the matter at dispute is one that appears trivial or petty then you may refuse to deal with it. However, this has to be judged carefully against an issue that is, for example, a minor defect. A minor defect being grounds for civil law liability. In addition, if the nature of the dispute is maliciousness and there appears no evidence of the problem reported, you may refuse to deal with it.
(c) The dispute is being, or has been previously, considered by another approved ADR provider or by a court;	The court may be a civil one or a criminal court that has been asked to consider, for example, compensation in relation to what would otherwise be a criminal matter. Only if the dispute has or is being considered by another listed approved ADR provider, can you refuse to deal with it.
(d) The value of the claim falls below or above the monetary thresholds you have set.	
(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than the 'prescribed period'.	If your policies currently require a lesser time than the prescribed period then they will need to be changed to meet this requirement. It would be good practice for traders to point out, at the giving of final notice, that while consumers have at least the prescribed period to take a complaint to an approved ADR provider; the longer a consumer waits to initiate ADR procedures the more difficult it can often be, to obtain evidence and facts and this could be detrimental to their case. The prescribed period is defined in appendix A.
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	This is wide ranging in its meaning and might cover, for example, a dispute relating to such a complex issue that it would consume all of your resources to deal with it and thus damage the quality or even ability of your organisation to be involved in any other disputes. Based on your previous experience, it would be good practice to set out examples of the type of dispute that you have received in the past that may fall within this category.

Appendix C - Initial Application Information

CTSI is required by the ADR Regulations to gather the information detailed in the initial application and also detailed below. Please send us this information as an Excel spreadsheet if possible.

Your initial application should include as much supporting evidence as possible relating to all areas of the legislation but particularly Schedule 3, as detailed in this document. Comments against all sections are helpful so that the auditor has a full picture of the framework, policies and processes of the ADR procedures of your organisation.

If you are planning to change any aspect of your organisation in order to meet the requirements for approval, then please tell us. Let us know what that aspect is currently and what it will be. Tell us when the change will be implemented and how you will do it. This will allow us to be as flexible as we can in assessing your application and take into consideration any problems that may arise with making those changes.

The CTSI auditor assessing your application will work with you to decide a deadline for what is a reasonable time to make any changes you are planning and comment on your ability to make those changes. An audit check will be made to confirm that those changes have been made. While the auditor can advise you on meeting requirements, they cannot implement those changes for you as a consultant might. You can also use this form to tell us about any changes to this information that occurs after you have received approval status. Notification of such changes is a requirement of continued approval.

Organisation and contact details;

What is your organisations name? (Where you operate as a limited company please provide your limited company name and number)

If you use any additional trading name (s) please provide these;

What is your organisations postal address;

What is your actual address (if different);

What is your general telephone contact number?

What is your general email contact?

Please tell us about the structure and funding of your organisation (This information should also demonstrate how you fit into the structure and funding arrangements of any larger organisation of which you are a part).

Nominated person and contact details (We would like to have one person, nominated by you, as the person to act as first contact in relation to matters relating to your application);

Nominated person's full name;

.....

Telephone details for nominated person;

.....

Email address for nominated person;

.....

Tell us about your 'ADR officials' (see appendix A for definition);

How many ADR officials do you have?

.....

How many of these are managers and how many are case handlers?

.....

How are they remunerated? (Remuneration is a key aspect regarding judgements of independence to carry out ADR and so be as detailed as possible).

.....

Over what time period are ADR officials in office for?

.....

Who employs your ADR officials? (Like remuneration, the body employing each ADR official is key to our judgement of independence so be as detailed as possible. The employment of a person may take many forms and should include, for example volunteers, persons hired or contracted to do work as an ADR official).

.....

The ADR processes and policies you operate;

What are the rules of your ADR procedure?

.....

What fees will you charge a consumer who initiates a complaint? (If this is not a fixed fee - tell us how you will calculate it. If your fees depend on the stage of complaint, please tell us all the fees at each stage).

.....

What is the average length of your ADR procedure? (See Appendix A for a guidance on the start and finish points for you to calculate the 'length of ADR procedure')

.....

What language(s) will you be prepared to accept an initial complaint from a consumer?

.....

What language(s) will you be prepared to conduct your ADR procedure in?

.....

Please tell us about the 'types' of disputes you cover? (For more information on 'types' of dispute see appendix A)

.....

.....

.....

On what grounds will you refuse to deal with a dispute?

Please give us a reasoned statement, which sets out how you meet the requirements of schedule 3 of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. As your competent body, we are required to assess you against these requirements, and be satisfied that you meet them to grant approval. (The schedule 3 requirements are contained within the ADR Approval requirements, section of this guide. The schedule 3 requirements are all those except the sections marked with an asterix *. If you prefer you can use the ADR Approval requirements pages in this guide, as a checklist and write your reasoned statement in an adjacent box. To enable you to do this, we can supply you with the requirements as an Excel spreadsheet).

.....

.....

Appendix D - Annual Activity Report

This information is required to be published on your website within one month of the anniversary of your approval. We also require that you inform us of the publication of the report by sending a link to the relevant webpage. This will enable us to combine and compare information from a number of organisations (the format for presenting the data does not have to be Excel). Information in brackets is for guidance only. At the start of the report information please indicate which ADR organisation you are, the date of your report and the dates between which the data in your report relates.

Please tell us the total number of 'domestic' and 'cross-border' disputes you have received in the last year as well as the types of complaints to which the domestic disputes and cross- border disputes relate (Provide us with data using whatever categorisation system you use for 'types' of dispute. For example, you may have major and sub categories in relation to the 'types' of goods and services in dispute, such as; Electrical goods (Major), with televisions, laptops etc. as sub-categories. You may also have multiple categorisations, for example, a goods & services category and also the legal 'type' of dispute, for example, not as described, not fit for purpose. In addition, you may have no category system at all if you are very specialist or only deal with a very small number of disputes. If your categorisation system changes during the year, let us know the information up to the change and afterwards explaining what has changed and how in a footnote to the data).	Domestic disputes type	Number received	Cross border dispute type	Number received	Total Number of domestic disputes received	Total Number of Cross Border disputed received

<p>Please tell us about any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which you have become aware due to your operations. In addition, tell us about any recommendations you may have as to how these problems could be avoided or resolved in future. (Your recommendation should be based on the objective of raising traders' standards and to facilitate the exchange of information and best practices).</p>	<p>Systematic or significant problem(s) occurring frequently. For example, lack of awareness amongst traders of consumer rights in relation to rejection of goods under the new Consumer Rights Act 2015.</p>	<p>How can this problem be avoided or resolved in future? For example, need for greater awareness of free CTSI Business Companion advice guides on consumer rights amongst business groups.</p>	
<p>Please tell us the total number of disputes which you have refused to deal with. In addition, a breakdown of the percentage share of each of the permitted grounds (see Annex B) on which you have declined to consider such disputes (if any).</p>	<p>Total number of disputes refused to deal with.</p>	<p>Percentage of total.</p>	<p>Grounds for dispute refused. For example; the dispute is frivolous or vexatious;</p>
<p>Please tell us the percentage of ADR procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation. Operational reasons means, for example, issues with an ADR official and a conflict of interest. It does not include consumers and traders dropping out of the process nor when a consumer has lied to gain access to the process. These occurrences would be part of the numbers of 'refused to deal with' data.</p>	<p>Total number of discontinued ADR procedures for operational reasons /Total number of ADR procedures initiated x 100.</p>	<p>Operational reason.</p>	
<p>Please tell the average time you take to resolve domestic disputes and cross-border disputes (See Appendix A for guidance on how to obtain the 'average time to resolve disputes' calculation).</p>	<p>Average time to resolve domestic disputes.</p>	<p>Average time to resolve cross- border disputes.</p>	

<p>Please tell us the percentage rate of compliance, if known, with the outcomes of the alternative dispute resolution procedure. (Please express compliance as a percentage relative to the number ADR procedures where an outcome has been achieved).</p>	<p>Percentage rate of compliance with ADR procedure outcomes.</p>	
<p>Please tell us how you have co-operated, if at all, with any network of ADR entities which facilitates the resolution of cross-border disputes.</p>	<p>How we have co-operated with a network of ADR entities for cross border disputes.</p>	

Appendix E - Two yearly Activity Report

Please submit this information in the form of an Excel spreadsheet in the format set out here, as far as possible. This will enable us to combine and compare information from a number of organisations. (Information in brackets is for guidance)

At the start of the report please indicate which ADR provider you are, the date of your report and the dates that the data relates to.

Please tell us the total number of disputes you have received as well as the types of complaints to which the disputes relate (Provide us with data using whatever categorisation system you use for 'types' of dispute. For example, you may have major and sub categories in relation to the 'types' of goods and services in dispute, such as; Electrical goods (Major), with televisions, laptops etc. as sub-categories. You may also have multiple categorisations, for example, a goods & services category and also the legal 'type' of dispute, for example, not as described, not fit for purpose. In addition you may have no category system at all if you are very specialist or only deal with a very small number of disputes. If your categorisation system changes during the year let us know the information up to the change and afterwards explaining what has changed and how in a footnote).	Dispute Type	Number received	Total number of disputes received
Please tell us about any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which you have become aware due to your operations. In addition, tell us about any recommendations you may have as to how these problems could be avoided or resolved in future. (Your recommendation should be based on the objective of raising traders' standards and to facilitate the exchange of information and best practices).	Systematic or significant problem(s) occurring frequently. For example, lack of awareness amongst traders of consumer rights in relation to rejection of goods under the new Consumer Rights Act 2015.		How can this problem be avoided or resolved in future. For example, need for greater awareness of free CTSI Business Companion advice guides on consumer rights amongst business groups.

<p>Please tell us the percentage of ADR procedures that were discontinued before an outcome was reached. (Please take this to mean for operational reasons; Operational reasons means, for example, issues with an ADR official and a conflict of interest. It does not include consumers and traders dropping out of the process nor when a consumer has lied to gain access to the process. These occurrences would be part of the numbers of 'refused to deal with' data).</p>	<p>Total number of discontinued ADR procedures /Total number of ADR procedures initiated x 100.</p>	
<p>Please tell the average time you take to resolve disputes you have received; (See Appendix A for guidance on how to obtain the 'average time to resolve disputes' calculation).</p>	<p>Average time to resolve disputes.</p>	
<p>Please tell us the percentage rate of compliance, if known, with the outcomes of the alternative dispute resolution procedure. (Please express compliance as a percentage relative to the number ADR procedures where an outcome has been achieved).</p>	<p>Percentage rate of compliance with ADR procedure outcomes.</p>	
<p>Where you are a member of a network of ADR entities which facilitates the resolution of cross- border disputes, please give us an assessment of the effectiveness of your co-operation in that network.</p>	<p>Assessment of the effectiveness of your co- operation with cross border dispute ADR network.</p>	
<p>If you provide training to your ADR officials, please give us details of that training. (No individual ADR official training record is needed. We are looking for the training provided overall to ADR officials. This would not include training provided on matters not specifically related to ADR work, for example, how to use Excel spreadsheets. If a course title does not obviously say what training has been provided, please provide a very brief explanation of the training).</p>	<p>Training provided to ADR officials.</p>	<p>Brief explanation (where necessary).</p>
<p>Please tell us how effective your ADR procedure has been and what ways you can improve your performance in future.</p>	<p>Effectiveness of your ADR procedure.</p>	<p>List of ways your ADR procedure performance can be improved in the future.</p>

Appendix F - Section 1- Website Information Checklist

To meet approval requirements, the following information must be publicly available in a clear and easily understandable manner on your website. (Guidance on the information needed is included in brackets).

Your contact details, including postal address and email address.

A statement that you are listed by CTSI as an approved ADR organisation (Only when you are advised by CTSI in writing that you have met the requirements and are an approved ADR provider).

Information about all of your ADR officials, their method and duration of appointment (The extent of the personal information you provide about each of your ADR officials is a choice for you to make). However, we would expect to see as a minimum job title and generic description of the role. Unless for reasons of staff safety or security even this was not possible. Method of appointment is the basis on which the ADR official is employed. For example, permanent staff of the organisation or self- employed and contracted per dispute).

If you are a member of any networking organisation that assists with cross border disputes, give the name of that organisation.

The type of domestic disputes and cross-border disputes, which you are competent to deal with, including the financial thresholds, which apply, to each of these. (For guidance on 'Competency' and 'type' of dispute, see Appendix A).

The details of your ADR procedure.

The grounds, if any that you will refuse to deal with a dispute. (See Appendix B list)

The language(s) in which you are prepared to receive an initial complaint submission from a consumer.

The language(s) in which you are prepared to conduct your ADR procedure.

The principles you apply, and the main considerations you take into account, when seeking to resolve a dispute. (For example, legislation, considerations of equity, codes of conduct etc.)

Any requirements the parties have to meet, before the ADR procedure can be initiated. (This does not include the requirement that the consumer must have attempted to contact the trader with a view to resolving the dispute).

A statement clarifying whether or not the parties can withdraw from the ADR procedure once it has been started.

The costs to the parties, if any, including the rules, if any, you have on awarding costs at the end of the ADR procedure.

The average length of the ADR procedure you follow. (See Appendix A for guidance on 'average length of ADR procedure' calculation. For the purposes of initial application, you may display data for the year up to the date when you submit your application to CTSI and then update the figure for your 'approval date. This will then fit into the annual reporting cycle data. Alternatively, the figure could be continually updated in real time, each time an outcome is reached. Good practice would be to clarify the basis on which any data presented is calculated.

The legal effect of the outcome of the ADR procedure, for example, is it binding on one or both of the parties or is it a suggested outcome for the parties etc. In addition the enforceability of the outcome and the penalty for non-compliance, if any.

A statement as to whether or not the ADR procedures you operate can be conducted by oral or written means (or both).

A copy of the annual activity report (see Appendix D) you are required to submit to CTSI. (The report is required to be on the website within one month of the 1st anniversary of approval. The time limits for the submission of this report, would apply to the website publication date as well).

Amendment Regulations 18 – Where a body agrees to deal with a dispute on the ODR platform, it must ensure that it

- (a) Informs the parties of the ADR procedural rules it operates;
- (b) Informs the parties of any costs, if any, to be borne by a party, including the rules, if any, on costs awarded at the end of the ADR procedure;
- (c) Informs the parties that it does not require the physical presence of the parties or their representatives, unless the ADR procedural rules provide for this and the parties agree.

Amendment Regulations 18 (d) The ODR platform must be sent the following information, without delay, in relation to each specific dispute received and agreed to be dealt with;

- The date all documents were received containing the relevant information that would constitute a 'complete complaint file' (See Appendix A definition)
- the subject-matter of the dispute
- the date of conclusion of the ADR procedure
- the result of the ADR procedure
- The specific information in relation to ODR sourced complaints that need to be provided to the parties or the ODR platform by the approved ADR entity.

Appendix G - Trader Information Requirements

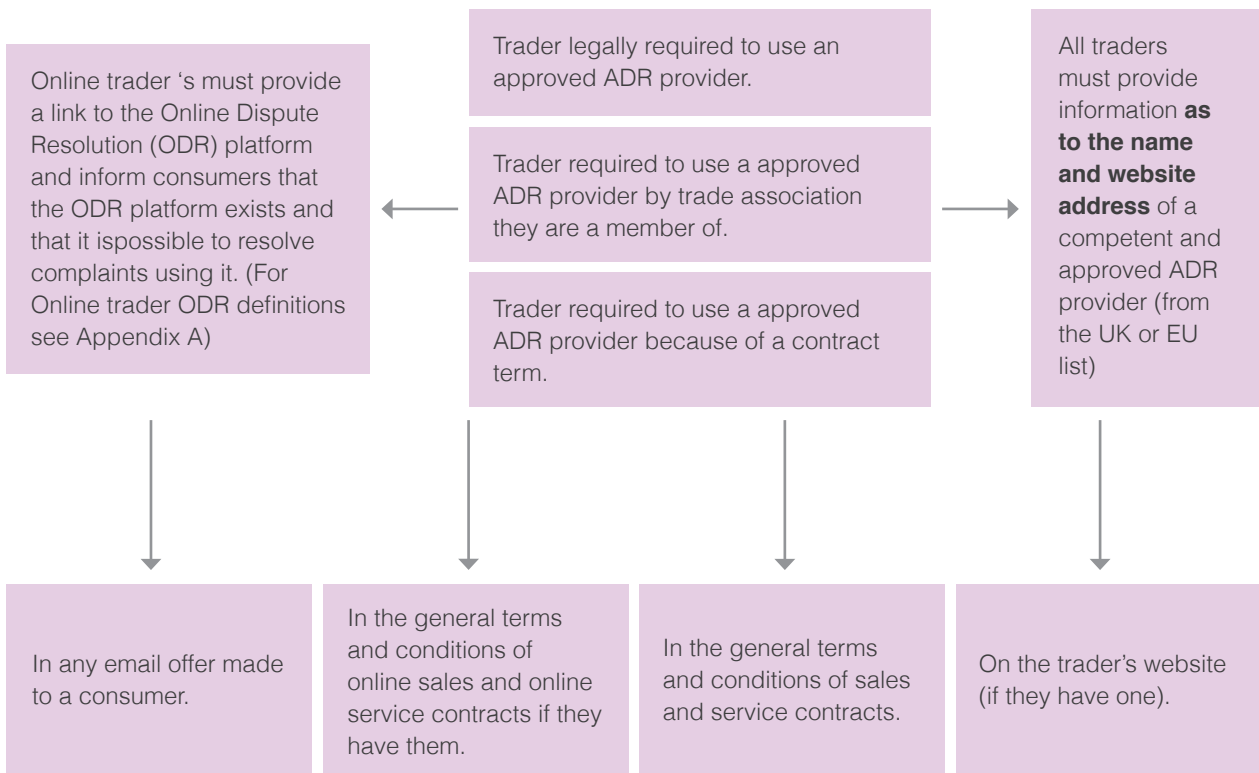
While not part of the ADR approval process required by CTSI auditors, an understanding of the requirements that traders must comply with in relation to providing information about approved ADR providers, is useful for applicants in understanding what is and is not ADR. This is in addition to understanding how approved ADR bodies fit into the overall information requirements traders must meet. The information requirements are set out in Part 4 of the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the regulations) as amended. There are two trader information requirements.

The first is only for those traders who are either legally or through membership of a trade association or a contract term, required to use an approved ADR provider to resolve contractual disputes with consumers that they cannot resolve using internal complaint procedures (Trader information A).

The second applies to all traders, including those caught by the first requirement, who have sales and service contracts with consumers (Trader information requirement B). Neither information requirement A or B apply to health service contracts.

Trader information requirement A

This information is to be provided on the trader's website, and in their general terms and conditions of sales or service contracts if available. There is no detailed requirement in the regulations as to where the information must be given on the trader's website. If a trader does not have any general terms and conditions, for example, the nature of the types of contractual transactions they make involves no paperwork such as a receipt, the trader is to give the information anyway for example by a shop notice. There is no definition of trade association in the regulations, and so any trader who is a member of an organisation that can show it is not a trade association, does not have to provide the information (Unless legally required to or by virtue of a contract term of course).

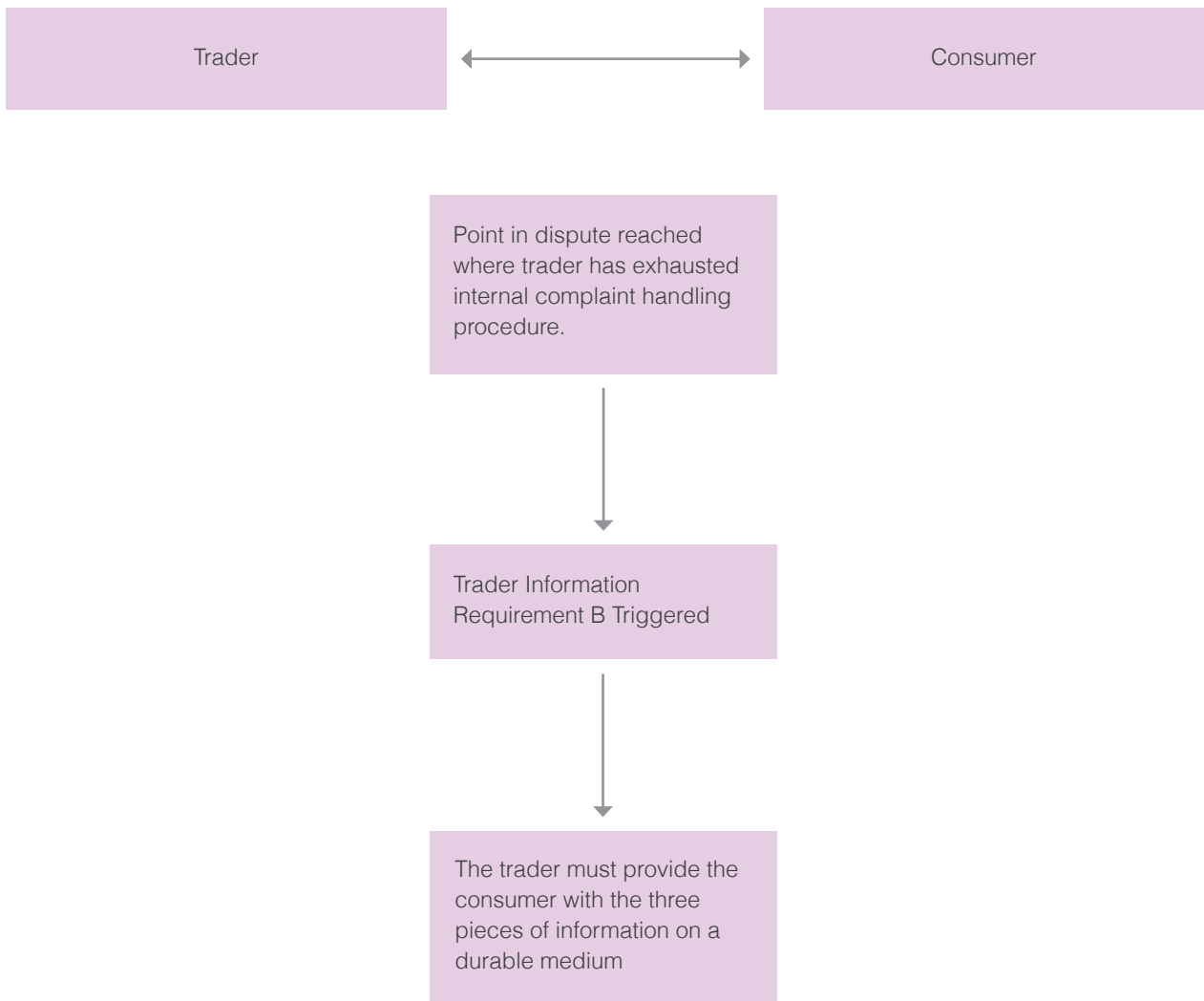


All online traders must provide a link to the ODR platform & state their email address on their website. In addition, any 'online marketplace' must provide a link to the ODR platform on their website from this date. See appendix A for the meaning of 'online trader' & 'online marketplace'.

Trader Information Requirement B

When any trader has exhausted their internal complaint handling procedure with respect to a consumer sales or service contract dispute, then trader information requirement B is triggered. Using a durable medium, the trader **must** tell the consumer three things;

- That they cannot settle the dispute.
- The name and website address of a suitably competent, approved ADR provider from the UK or EU list.
- Whether they are required to, or will voluntarily be prepared to, take part in the ADR procedure of the competent approved ADR provider that they have given details of to the consumer.



Contact details for further information and applications:

E mail: adrenquiries@tsi.org.uk
Phone: 01268 886692

Notes

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