

Dispute Resolution

Consumer Disputes: New Online Dispute Resolution Platform

Consumer Disputes – New Online Dispute Resolution platform

A potential new era for disputes between traders and consumers will commence on Monday 15 February 2016 when the European Commission's Online Dispute Resolution platform ("ODR platform") will be accessible to both consumers and traders through the following link <http://ec.europa.eu/consumers/odr/>.

The ODR platform is designed to facilitate the resolution of disputes between consumers and traders in relation to goods and/or services purchased online regardless of the traders' location within the EU. The concept involves the use of the non-court techniques of "e-negotiation" and "e-mediation".

It is proposed that the ODR platform will work as follows:

- 1 The consumer will access the ODR platform and complete and submit an online complaint form.
- 2 The complaint form will then be sent to the relevant trader. The relevant trader can then propose an Alternative Dispute Resolution ("ADR") entity to the consumer from the list of providers of such services within the member state of the consumer.
- 3 Once the consumer and trader have agreed on the use of a specific ADR entity to handle the dispute, the ODR platform will then transfer the complaint to that entity.
- 4 The ADR entity will then review the claim online and assist with online negotiation and mediation within 90 days.

EU Directive 2003/11/EU applies to all online traders who provide goods or services to consumers, including online marketplaces and businesses that operate offline as well as online.

All such businesses must now provide a link to their website or online marketplace to the ODR platform and have a clearly visible email address.

Whilst the ODR platform does not oblige traders to resolve disputes using ADR where a trader is not under any contractual or legal obligation to do so, it is hoped that consumers and traders will now have a quick, easy and cost effective dispute resolution process which will assist in increasing consumer confidence in online transactions where an online trader is based in another EU country.

The purpose of the ODR platform is to raise consumer awareness of the possibility that disputes with traders can be resolved by ADR. It remains to be seen whether the take up in use of the ODR platform to resolve disputes and the percentage of such disputes which are resolved within the ADR process would result in making use of the ODR platform mandatory in disputes between consumers and traders arising from online transactions.

For further information on this topic please contact: Donal Dunne, Associate, Dispute Resolution Department E: ddunne@efc.ie