



**Independent
Retail Europe**

**SIMPLIFYING OUT-OF-COURT DISPUTE RESOLUTION TO
IMPROVE RESPECT OF CONSUMER RIGHTS
- COMMENTS OF INDEPENDENT RETAIL EUROPE -**

DECEMBER 2022



EXECUTIVE SUMMARY

Our members generally support the alternative dispute resolution mechanism (ADR) as well as online dispute resolution (ODR). It is a service that some of our members offer to their respective members and customers. After the Regulation entered into force in 2016, our members additionally intensified internal procedures for customer complaint handling, to solve conflicts rapidly and to prevent them from escalating. ADR/ODR is highly appreciated by consumers for solving complaints against businesses. However, a considerable number of complaints have also been filed by businesses against consumers. ADR brings benefits to both, businesses and consumers.

COMMENTS OF INDEPENDENT RETAIL EUROPE ON SIMPLIFYING OUT-OF-COURT DISPUTE RESOLUTION TO IMPROVE RESPECT OF CONSUMER RIGHTS

When it comes to the collective handling of complaints, our members do not trust that ADR entities are capable or have the necessary resources to handle collective disputes. This is a matter of lack of financial resources. Mediation activities for individual disputes are at the cost of businesses and already present difficulties in terms of cost/benefit. Regarding the possibility of class action, our members believe that only registered collective entities should be able to raise collective complaints.

Regarding the online dispute resolution platform (ODR), our members question the profitability of national as well as European platforms. Both are often criticised for handling too few complaints. However, the number of complaints and the number of disputes does not depend on the platforms as such. According to our members, consumers are very likely lacking awareness of these tools even though they are mentioned in the pre-contractual information. We suggest communication campaigns for consumers and for professionals to better inform about the opportunities of ODR/ADR. Subsidies could be allocated to the national ODR platforms in order to allow them to communicate more with consumers.

In some Member States there is no public funding for ODR available. The platforms are most often put in place by businesses and face financial difficulties, since they are not profitable. However, the sectoral and multisector mediation platforms are well organized and continuously improve their processes every year. It is therefore essential to ensure legal continuity for these new players to thrive. Our members suggest to make public funding available for these platforms in order to support their valuable work.

Moreover, a low number of complaints is not only the result of the consumer's lack of knowledge of mediation mechanisms, but also of the fact that disputes are resolved out of court thanks to the significant development of customer complaint handling services. This development is a positive consequence of the introduction of the right to refer to a consumer mediator in 2016. It would be appropriate to subsidize independent studies through a call for expressions of interest in order to understand the multiple causes of the low number of complaint files and its evolution.

Original version: English – Brussels, 20 December 2022

*Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.*

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 23 groups and their over 403.900 independent retailers, who manage more than 759.000 sales outlets, with a combined retail turnover of more than 1,314 billion euros and generating a combined wholesale turnover of 484 billion euros. This represents a total employment of more than 6.620.000 persons.

Find more information on [our website](#), on [Twitter](#), and on [LinkedIn](#)