

## PRACTICE NOTE

### Alternative Dispute Resolution

From 1<sup>st</sup> October 2015 all regulated law firms will need to take additional action in order to comply with an EU Directive on Consumer Alternative Dispute Resolution.

In addition to signposting all clients to the Legal Ombudsman in relation to any service complaints you will also need to provide information about entities that provide Alternative Dispute Resolution services.

In summary, from 1st October 2015 you must;

1. continue to provide information about the Legal Ombudsman as set out in the [CLC's Complaints Code](#) ,
2. provide information about an additional ADR entity which has been certified under the EU Consumer ADR Directive (there is no requirement to use such a scheme and information about the scheme need only be provided at the end of the complaints process).

The Department for Business, Innovation and Skills has confirmed that the following ADR entities are available to deal with disputes in the legal services sector: [Ombudsman Services](#), [ProMediate](#) and [Small Claims Mediation](#).

See our list of Frequently Asked Questions below

[See the DRAFT amendments to the CLC Complaints Code and Guidance](#)

More information about the EU Consumer ADR Directive and requirements for firms is on the [Trading Standards website](#).

The Legal Ombudsman (LeO) is currently [consulting on its plans to become an approved provider of Alternative Dispute Resolution](#). We will update you on those plans as they develop.

**EU Consumer ADR Directive FAQs**

**FAQ1: What is the EU Consumer ADR Directive?**

**A:** The ADR Directive requires all traders, including legal service providers, to provide information about complaints providers who have been approved by [Trading Standards website](#)

**FAQ2: When does EU Consumer ADR Directive come into force?**

**A:** 1 October 2015

**FAQ3: Why does it affect me?**

**A:** It had been hoped that the Legal Ombudsman would be recognised as a complaints provider with effect from 1 October 2015. Because the Legal Ombudsman has delayed making that application, all legal practices are required to provide information about recognised complaints providers.

**FAQ4: What do I need to do?**

**A:** You should comply with the CLC's draft amended Complaints Code and Guidance (attached) which explains the nature of the information you need to provide and at what stage in the complaints process.

**FAQ5: Are there any other EU Directives which are likely to affect the way in which I manage complaints?**

**A:** The [EU Regulation on Consumer Online Dispute Resolution](#) (ODR) comes into force on 1 January 2016. This sets out further information which legal services providers will need to supply if they are 'online traders'<sup>[1]</sup>. The extent of that information will depend whether the Legal Ombudsman is recognised as a complaints provider. The CLC will provide further information about the steps needed to ensure compliance over the coming weeks.

**FAQ6: Where can I find further information about the EU Consumer ADR Directive?**

**A:** For more information on the EU Consumer ADR Directive and requirements for practices, visit the [Trading Standards website](#).

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<sup>[1]</sup> An online trader is defined as, 'a trader who intends to enter into online sales contracts or online service contracts with consumers'