# **business** companion

trading standards law explained

## The ADR landscape

In this section

ADR has been part of the consumer protection environment for many years. Schemes that consumers are commonly aware of include those offered by the Association of British Travel Agents (ABTA), the Financial Ombudsman Service (FOS) and the Civil Aviation Authority (CAA).

Many traders are members of (and make good use of) various and numerous trade association bodies, such as the Federation of Master Builders, or membership schemes such as the Furniture and Home Improvements Ombudsman. These provide traders with access to ADR schemes where they can escalate a complaint that they are unable to resolve through their own internal complaints procedures.

For consumers and traders, access to ADR schemes was previously largely dependent on the trader being a member of a trade body, without guidelines addressing the consistency of the process to be followed. Nor was any reassurance provided to either parties to indicate that the process would be handled fairly.

The ADR Regulations were introduced to widen the opportunity for traders and consumers to have more access to a simpler, less costly way for both parties to resolve a dispute, that in turn will ensure consumer confidence remains high and encourages strong consumer/trader relationships.

ADR is becoming common across so many areas of law that some courts now insist that the parties involved use an ADR processes in the first instance before a case can be taken through the court process. There is an expectation that all parties will try everything reasonable to resolve their dispute before going to court.

Consumers are generally encouraged to try ADR even where the trader's use of such mechanisms is voluntary. An agreement by both parties to use ADR to solve a dispute can help maintain the business relationship, as well as show the consumer that the trader is willing to find a resolution.

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