

Trader requirements

In this section

The Regulations define a trader as, "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".

All traders except those operating in a small section of healthcare provision are now legally obligated to provide a consumer with certain information once a consumer dispute reaches deadlock.

Deadlock happens when both the consumer and trader have worked through the trader's own internal complaints procedure and an agreeable resolution has not been found.

They must provide the consumer with the following information:

- a statement that the trader cannot settle the complaint with the consumer
- the name and web address of an approved ADR provider that could deal with the complaint
- whether the trader is obliged or prepared to submit to an ADR procedure operated by the ADR body they have named

The information must be provided in a 'durable medium' (for example, a letter or an email) and it will normally form part of the final 'deadlock' letter in response to a consumer complaint.

Example 1:

Mrs Holly bought a lawn mower from the garden centre two years ago and has written to complain that it won't start. Oak Garden Centre has tried to reach agreement with Mrs Holly but she feels that the garden centre is not resolving her complaint fairly. Oak Garden Centre feels that it cannot get any further with the complaint.

The garden centre does write to Mrs Holly telling her that the complaint can't be resolved, and gives Mrs Holly the name and web address of an approved ADR body that would be suitable to deal with a complaint of this nature. Oak Garden Centre is not a member of any trade body. It does value its customers and wants to retain Mrs Holly as a customer if it can. Therefore, it does advise Mrs Holly that it will be happy to co-operate with ADR.

Some traders are obligated to agree to use ADR if a consumer wishes to go down that route. This is where a trader is subject to compulsory ADR, either by law or through the membership of a trade association. They must provide the name and web address of the ADR provider or scheme on their own website (if they have one) and as part of their general contract terms.

Example 2:

Mr Black had a new boiler fitted and noticed that the wall next to where the boiler was fitted had plaster knocked out. Oasis Builders, who did the work, felt that the wall had been damaged after the boiler was fitted and is therefore not its responsibility to repair. Mr Black and Oasis builders have been unable to come to an agreement. Oasis Builders are a member of a trade body and a condition of its membership is that it must offer to enter into ADR with a consumer when a dispute reaches deadlock. Mr Black was already aware of this before he agreed for Oasis Builders to do the boiler work as he had seen this detail on Oasis Builders' website, and there had been mention of this in the terms and conditions provided before the boiler was fitted. Oasis Builders had the website address and name of the ADR body on its website. The ADR body is an approved ADR body. Oasis Builders also supplied the details of the name and website address of the ADR body in a letter to Mr Black.

The ADR regulations do not make it obligatory for all traders to use ADR, but as mentioned above, they do have to provide the information to a consumer.

Example 3:

Sally bought new designer shoes from Regency Shoes. After two weeks the sole was coming away and she took them back to the shop. Regency Shoes felt that the shoes looked as though they had been chewed by an animal which had caused the damage, and therefore refused to refund or replace them for her.

Regency Shoes provided Sally with a letter that stated that it did not agree that the shoes were faulty. It did give Sally the name and web address of an approved ADR body but went on to state that it would not enter into this process with her. This meant that the only course of action for Sally was to take the matter to court.

Example 4:

Edge to Edge Gardening Design is a landscape garden business and has completed some work for Mr Piper. Its team had laid some turf and planted two borders. The turf has begun to die and Mr Piper feels that Edge to Edge Gardening Design has laid poor quality turf. Edge to Edge Gardening Design does not agree. The company is not a member of a trade body and there is no law to say that it has to agree to ADR with Mr Piper. However, Edge to Edge Gardening Design knows it needs to maintain its reputation so sends a letter to Mr Piper giving the name and website address of an ADR body, and tells Mr Piper that it is happy to use the process to see if they can reach an agreement.

[< Competent authorities](#)

[> Summary](#)

Source URL:

<https://businesscompanion.owastaging.co.uk/focus/alternative-dispute-resolution/trader-requirements>