

# ALTERNATIVE DISPUTE RESOLUTION BENEFITS EVERYONE

Statement of the Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband – vzbv) on the European Commission's proposal for a Directive amending Directive 2013/11/EU on alternative dispute resolution for consumer disputes, as well as Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828 (COM (2023) 649 (final))

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## **Legal information**

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# I. INTRODUCTION

Alternative dispute resolution (ADR) gives both consumers and traders the possibility to resolve disputes out of court with assistance from a neutral entity. The procedure offers consumers fast, simple, and free legal protection. Above all, the procedure makes it possible to solve disputes without long waiting times and usually ends amicably, allowing the business relationship to continue. In particular with respect to small claims, alternative dispute resolution can offer consumers a simple way to exercise their rights, as there is no risk of incurring high costs involved and the procedure is straightforward. Alongside legal action brought before courts and collective enforcement on the part of authorities and consumer organisations, ADR thus represents an important way for consumers to exercise their rights.

From a consumer perspective, it is important that ADR functions as an additional tool in the broader consumer rights framework. Consumer advice – in the form of comprehensive advice that serves consumer interests – is an additional service, and must remain strictly distinct from ADR, both from an organisational and institutional point of view. Particularly when it comes to clarifying unresolved legal questions, enforcing consumer rights via the court system must remain the primary route. The sense and purpose of ADR is to resolve individual disputes while taking the specific circumstances into consideration.

Traders that participate in ADR can make a decisive contribution to customer satisfaction and retention. Various investigations by the Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband – vzbv) into the way companies communicate with their clients illustrate the necessity of this. They allow conclusions to be drawn as to why access to justice and thus the exercising of rights must be as straightforward as possible for consumers. While ADR can offer this, it is essential to make full use of its potential. The vzbv investigations show: Companies fail to document agreements, fail to ensure that they can be contacted, or simply fail to respond to communications.<sup>1</sup> In some cases, this prevents consumers from exercising their rights. A representative survey carried out on behalf of vzbv showed that one in five persons surveyed has had a negative customer service experience. The survey also showed that almost half of those who have had a negative experience failed to obtain, in part or in whole, the service owed to them by the provider. Fourteen percent of the consumers surveyed have foregone what they see as their consumer rights on at least one occasion because either the cost was too high, the amount paid or the use derived from the product/service was too low, or the potential use did not justify the effort involved.<sup>2</sup>

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<sup>1</sup> "Kundenkommunikation mit Hürden" ("Customer Communication with Hurdles"): [https://www.vzbv.de/sites/default/files/2022-01/2022-01-18\\_MB-Kuko.pdf](https://www.vzbv.de/sites/default/files/2022-01/2022-01-18_MB-Kuko.pdf).

<sup>2</sup> <https://www.vzbv.de/pressemitteilungen/kundenservice-jeder-fuenfte-macht-schlechte-erfahrungen>.

Effective ADR is needed to ensure consumers can exercise their rights. An ADR procedure must:

- be familiar to consumers as a way of exercising their rights;
- be fast, simple, and free to consumers;
- be carried out by experts at independent ADR entities;
- be comprehensible to consumers; and
- provide (legal) certainty by concluding the dispute.

In this way, ADR is worthwhile not only for consumers, but also for traders, which also benefit from procedures that consume little time, reduced bureaucracy, and are low costs. The main purpose, in addition to resolving disputes, is the impartial and independent assessment of specific situations and clarity regarding legal issues. Both sides benefit from the knowledge gained. Furthermore, the mediators at the ADR entities can also consider a dispute's specific circumstances. Last but not least, participation in ADR procedures and acceptance of ADR recommendations by traders signals a clear commitment to customer service.

## II. SUMMARY

Since the Directive<sup>3</sup> was adopted ten years ago, it has become clear that few consumers are aware of ADR as a way of settling disputes out of court and that it does not function equally well in all economic sectors. This is largely because traders are very reluctant to participate. The European Commission's proposal to amend the ADR Directive<sup>4</sup> aims to simplify the procedure and strengthen consumer rights.

vzbv is disappointed that the proposal does not show the necessary commitment to effectively promoting ADR as a way to resolve consumer disputes. **The proposal misses the chance to create a basis for fundamental change and falls short of consumer needs.** It fails to address the fundamental problems and challenges relating to ADR. Firstly, it offers no solution to consumers' lack of awareness regarding the ADR procedure. Secondly, it fails to address traders' unwillingness to participate in such procedures. The fact that the draft contains no clear rules on obligatory ADR participation for traders is particularly disappointing.

This vzbv statement makes suggestions to improve the proposal so that it would represent genuine progress.

- Refine the scope of application
- Make access to ADR easy
- Relax deadlines instead of amending reporting obligations
- Penalise infringement of the duty to reply
- Clarify the role of contact points

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<sup>3</sup> Directive on alternative dispute resolution for consumer disputes, 2013/11/EU (hereafter: ADR Directive).

<sup>4</sup> COM(2023) 649 final, available at : <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023PC0649>, (hereafter: proposal).

## III. INDIVIDUAL ASPECTS OF THE EUROPEAN COMMISSION'S PROPOSAL

### 1. REFINE THE SCOPE OF APPLICATION

The European Commission's proposal to expand the scope of the Directive appears to pursue a fundamental and worthy aim, namely to provide consumers with fast and comprehensive access to their rights. The "dieselgate scandal" is the best example of how disputes can be not only contractual in nature, but also based on tort law and the law of restitution and unjust enrichment. The Directive's scope should thus also encompass such disputes, so as to include, in addition to traders, other responsible companies. The same should apply to disputes about compulsory pre-contractual information<sup>5</sup>. Meanwhile, with a view to the sense and purpose of ADR and the capacities of ADR entities, it must be ensured that an impact on the specific person making the application always exists.

The proposed expansion of the scope to include such issues as fake reviews, distorted price presentation, and greenwashing as set out in Article 2 (1) (b) is, however, too broad. vzbv considers such an extension of the scope to be problematic, as it risks undermining the coherence of the consumer protection system and preventing a clear division of responsibilities among the various actors involved (consumer advice organisations, ADR, enforcement).

Expanding the scope of application would lead to ADR entities taking on a de facto market surveillance role. **Important, however, is a well-balanced overall structure comprising consumer advice, ADR, and (collective) enforcement and redress, so that each component can make its full contribution to a high level of consumer protection.** The European Commission's proposal, instead of maintaining this clear division, seems to mix the areas with one another. It also opens the door to traders that engage in unfair commercial practices deliberately using ADR as a means to evade the enforcement of consumer rights through collective redress by qualified entities. After all, ADR procedures would only resolve individual cases. It is important, however, that issues, particularly in relation to the systematic use of unfair commercial practices, are clarified by means of collective actions (and that the results apply to all cases). It is also vital to avoid confusion and uncertainty among both consumers and traders about the role of ADR entities.

#### VZBV RECOMMENDS

The European legislator should limit the expansion of the Directive's scope to statutory consumer rights, disputes concerning compulsory pre-contractual information, as well as to disputes based on tort law and the law of restitution and unjust enrichment.

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<sup>5</sup> Especially *culpa in contrahendo* (Section 280 (1), Section 311 (2), Section 241 (2) of the German Civil Code, BGB).

## 2. MAKE ACCESS TO ADR EASY

### 2.1 Oblige traders to participate

Access to an ADR entity must also mean access to an ADR procedure. Consumers who submit an ADR request to a relevant entity must be confident that the procedure will actually be carried out. Traders that are willing to participate in such a procedure are currently an exception throughout Europe. This problem is well known: In its report on the application of the current Directive, the European Commission called the willingness to participate “clearly insufficient”.<sup>6</sup> In Germany, the procedure functions most effectively in sector-specific ADR entities and, above all, when there is a threat of ADR involving a public authority should traders not cooperate with a private entity.<sup>7</sup> In our view, there should be mandatory participation for traders in ADR procedures at least at an ADR entity authorised to deal with initial requests, and in the sectors with the most consumer complaints, which are in Germany telecommunications, energy, finance, and mobility and travel.<sup>8</sup> However, vzbv’s findings<sup>9</sup> also show that traders’ internal complaint mechanisms do not always work. Mandatory participation beyond the above-mentioned sectors should also exist even when traders cannot be contacted, systematically fail to respond to customer communications, or provide either no or incorrect contact details.<sup>10</sup> Also, to ensure that the ADR procedure is taken seriously, traders that are subject to mandatory participation but systematically and hastily reject the ADR proposal should face higher costs.

A proposal from an ADR entity must be effective from a consumer perspective and comprehensively resolve the dispute. If a consumer accepts an ADR proposal but the trader fails to respond within a suitable and reasonable period, acceptance of the proposal must be assumed. The Directive should protect the consumer position and stipulate: Member States shall establish rules to ensure that consumers will not have to take legal action via a court in order to enforce their rights once the ADR procedure has been completed.<sup>11</sup> This also applies to a situation in which consumer and trader accept an ADR proposal but the trader fails to fulfil the obligation set out by the accepted proposal. Traders must not be rewarded if they simply wait for the situation to pass.

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<sup>6</sup> Commission report to the European Parliament, the Council and the European Economic and Social Committee about the application of Directive 2013/11/EU, COM(2019) 425 final, p. 10.

<sup>7</sup> Such regulations exist, for example, in Section 57a of the German Aviation Act (*Luftverkehrsgesetz*, LuftVG) and Section 14 of the German Act on Injunctive Relief (*Unterlassungsklagengesetz*, UKlaG).

<sup>8</sup> See regarding strengthened ADR in travel law: [https://www.verbraucherschutzministerkonferenz.de/documents/ergebnisprotokoll-19-vsmk\\_oeffentlich\\_18-07-2023\\_1689678836.pdf](https://www.verbraucherschutzministerkonferenz.de/documents/ergebnisprotokoll-19-vsmk_oeffentlich_18-07-2023_1689678836.pdf), TOP 11 No. 3. More details on the most common consumer complaints in 2023 are available in the following vzbv Consumer Report: <https://www.vzbv.de/sites/default/files/2023-06/Verbraucherreport%202023%20final%20web.pdf>, p. 10f. (accessed on 15/12/2023).

<sup>9</sup> See footnotes 1 and 2.

<sup>10</sup> Based on Section 4a of the German Act against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb*, UWG) and taking into account the items of Section 3 (3) in connection with No. 27 of the annex.

<sup>11</sup> In Germany this could be achieved by adding to the list of enforceable titles in Section 794 (1) of the German Civil Procedure Code (ZPO) and giving ADR entities the necessary powers, see the vzbv statement (in German) “Strengthening ADR culture – using the potential of ADR for consumers and companies” from 23 January, 2015.

## VZBV RECOMMENDS

Participation in ADR procedures must be mandatory at least in those sectors with the most consumer complaints.

If a trader fails to react to an ADR proposal before the stated deadline, it must be assumed that the proposal has been accepted and is binding. If a trader fails to fulfil its obligations arising from a binding ADR ruling, it must be ensured that consumers can enforce their rights following conclusion of the ADR procedure without having to take their complaint to court.

If European legislators cannot agree on the issue of mandatory participation of traders, they should at least recognise the importance of ADR in another form: Traders that systematically reject participation in ADR procedures should at least have to justify their stance. This can serve to ensure that traders carefully consider the possibility of using ADR. The Member States' competent authority<sup>12</sup> must be able to review the justification provided.

## 2.2 Establish clarity on automated ADR procedures

Technological tools can automate processes, thus making them simpler and more efficient and enabling identification of possible reasons for rejection. The wording of Article 5 (2) (c) of the proposal allows for a fully automated procedure, including the finding and submission of results. It is fundamentally desirable that ADR entities also use algorithms or even artificial intelligence to support their work as much as possible. This is particularly applicable to routine cases and clear rights (for example, with respect to compensation claims according to the European Air Passengers Rights Regulation) where no further assessment is required. **However, in cases where an assessment is necessary, it is important that a human decides.**

If the European legislator chooses to introduce automation as envisioned by the European Commission's proposal, vzbv wishes to emphasise the following: Consumers must first of all be aware that their procedure was carried out by automated means. Only then can they exercise the right to have a natural person review the outcome of the ADR procedure. In many instances, the ADR entity will obtain consumer consent to automated processes in advance online. However, separate information about the automated ruling is essential.

## VZBV RECOMMENDS

Article 5 (2) (c) of the proposal should be clarified so as in cases of legal consideration a fully automated ADR procedure, including the ruling, is excluded.

ADR entities must clearly inform consumers that the ADR ruling was generated automatically.

## 2.3 Simplify participation in the procedure

vzbv welcomes the goal of reducing obstacles to participation in ADR procedures. Consumers who wish to turn to an ADR entity should face as few barriers and bureaucratic requirements as possible that might prevent them from submitting their request. vzbv therefore welcomes the clarification in Article 5 (4) (a) that no "disproportionate rules" mandating consumers to contact the trader before being able to proceed to ADR should be in place. It is positive that the European Commission specified this point in order to clarify that even the requirement to prove that a consumer has contacted a specific part

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<sup>12</sup> Article 19 ADR Directive.



of the trader's customer service is considered disproportionate. ADR should not only function quickly and efficiently, but should also be easily accessible. Clear rules are necessary, but none that would prevent consumers from submitting a complaint.

## 2.4 Penalise infringement of the duty to reply

The European Commission, citing cost reasons,<sup>13</sup> proposes to delete the current obligation of traders to provide information about ADR (see III (4) below). Instead, Article 5 (8) establishes an obligation for traders to reply to a request from an ADR entity. The wording would require clarification of different points: Can a request from an ADR entity also occur independently of a specific dispute? What if, for example, after five requests a trader says that it will never participate in ADR? Should the ADR entity stop asking? What if there is no response at all? Anyhow, the proposal does not stipulate any consequences for traders that fail to reply either on time or at all, despite the obligation to do so. There is also no rule in the proposal calling on Member States to establish penalties or legal consequences. This leads to the highly unsatisfactory situation that it is **utterly unclear** how compliance with the duty to reply is to be ensured, monitored, and penalised, and what consequences non-compliance would entail. Should ADR entities that request a response from the trader be subsequently responsible for imposing a penalty? This shows how the proposal does not clearly separate the roles of public and private collective enforcement and ADR. It should at least be clear that ADR entities are not entitled to impose penalties. Such a task would contradict their strictly neutral role. It is necessary to amend Article 21 of the ADR Directive to make clear that penalties must be applied in the case of infringement of Article 5 (8). Particular consideration should be given to previous non-compliance on the part of the trader.

### VZBV RECOMMENDS

adding "5 (8) and" to Article 21 of the ADR Directive, as follows: "Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted in particular pursuant to **Article 5 (8) and** 13 and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive."

Also, direct legal consequences must be established for traders that fail to respond either at all or on time to ADR entities. vzbv proposes a fiction of the trader's willingness to participate after a limit of time.<sup>14</sup>

### VZBV RECOMMENDS

adding a rule to Article 5 (8) to state that in the event of non-compliance with the obligation to respond, the trader's tacit consent to participate in the procedure is assumed after the expiry of a deadline..

vzbv wishes to draw attention to the following: Article 5 (8) of the proposal mentions participation in "the" proposed procedure and, for applicability, seems to require that consumers already know about the possibility of ADR and have turned to a relevant en-

<sup>13</sup> Freeing companies from the obligation to provide information would save them 264 million euros annually, while the duty to reply would cost companies just 2.6 million euros annually, the Commission claims, however without any further explanation of the cost ratio.

<sup>14</sup> A regulation of this sort exists for the German Federal Government's universal ADR entity in Section 30 (6) (2) of the German Act on Consumer Dispute Resolution (*Verbraucherstreitbeilegungsgesetz*, VSBG).



tity. In contrast to the current information obligations, the regulation shifts the responsibility for obtaining information to the consumer. In addition, consumers will have to deal with the issue of ADR only at a later stage. In this respect, the proposed Directive **should under no circumstances replace the traders' obligation to provide information, which comes into effect as soon as the need for dispute resolution becomes relevant.**<sup>15</sup> Consumers need clear information on ADR when a dispute arises.

vzbv considers the twenty working days period proposed in Article 5 (8) to be too long. Amidst a dynamic market, tight payment deadlines, and rapid ordering processes over the internet it is surprising that ADR entities and consumers must wait de facto for four weeks for traders to respond. In the currently applicable Regulation on online dispute resolution,<sup>16</sup> Article 9 (3) (c) stipulates a response deadline of ten calendar days. That should also serve as a guideline here.

#### **VZBV RECOMMENDS**

amending Article 5 (8) by limiting the period of time to reply to ten calendar days.

### **3. RELAX DEADLINES INSTEAD OF AMENDING REPORTING OBLIGATIONS**

The European Commission's proposal aims to ease bureaucracy for ADR entities by reducing reporting obligations and replacing obligatory annual reports with biennial reports. vzbv points out that it is not very inviting or informative for consumers if a website's most recent report is more than one year old.

It is also debatable whether the proposed rule even achieves the desired effect. ADR entities have stressed that the problem does not lie with annual reporting. Some of them would continue to provide annual reports. The problem is rooted much more in the deadlines. As the ADR Directive states, pursuant to Article 20 (6), that the responsible authority must present its report by 9 July, the deadlines for ADR authorities are considerably shorter. vzbv therefore recommends to amend the ADR Directive Article 20 (6) so that the deadline is extended.

#### **VZBV RECOMMENDS**

retaining Article 7 (2) of the currently applicable version of the Directive to ensure that the relevant organisations continue to publish annual reports of their activities.

### **4. RETAIN AND EXPAND OBLIGATION TO PROVIDE INFORMATION**

The European Commission itself states, in Recital 1 of the proposal, that the lack of awareness of the existence of ADR entities is (also) a reason why consumers so rarely use them. This is precisely why consumers need to be better informed about the possibilities of ADR. However, the European Commission proposes to abolish information obligations. In vzbv's opinion, this contradicts the objective to increase consumer awareness. The obligation to provide information, as currently set out in Article 13 (3) of the ADR Directive, gives sector-specific ADR entities in particular a useful instrument to

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<sup>15</sup> See also German Bundesrat Drucksache (official document). 581/1/23 No. 6 a).

<sup>16</sup> Regulation (EU) No. 524/2013 of the European Parliament and of the Council on online dispute resolution for consumer disputes.

raise consumer awareness of ADR.<sup>17</sup> The positive fact that traders are willing to participate in such procedures when mediated by these ADR entities in particular<sup>18</sup>, would be used less if Article 13 (3) is deleted. **It would be a missed opportunity if consumers did not make use of ADR because they were not informed about this possibility.** For reference purposes, it is worth noting that the most recent version of the German Rail Transport Act (*Eisenbahnverkehrsordnung*, EVO) rightly stipulates an obligation to inform about the existence of ADR.<sup>19</sup>

vzbv proposes, as already recommended by the German Conference of Ministers for Consumer Protection (VSMK)<sup>20</sup> and by the relevant literature<sup>21</sup>, an amendment and clarification in the wording of Article 13 (3). It is currently at traders' discretion to declare a dispute to be settled or not and to thus trigger or not the obligation to provide information. The wording should thus state that this rule applies immediately in the event that a consumer complaint has not been fully granted by a trader. Consumers must have direct access to the information when they most need it. That is, above all, at the moment when a dispute arises.

### VZBV RECOMMENDS

clarification and amendment to Article 13 (3) of the ADR Directive as follows: "Member States shall ensure that, in cases where a trader established in their territory does not fully grant a consumer complaint, the trader provides the consumer with the information referred to in paragraph 1 (...)."

It is also disappointing to see that the proposal suggests no improvement to the existing rules. One aim of the proposal is to increase awareness of the possibility of ADR.<sup>22</sup> Interestingly, in a current analysis the European Commission comes to the conclusion that relevant information must stand out on the websites of traders and companies and be separate from other information.<sup>23</sup> Corresponding policy demands have also already been made at national level.<sup>24</sup>

The need to expand the scope of Article 13 (2) is clearly evident. The current wording of the regulation, according to which it is sufficient to provide information on the trader's website<sup>25</sup> and, if applicable, in the general terms and conditions, is of no real benefit to consumers. As consumers increasingly look at company profiles on social media channels in particular<sup>26</sup>, such areas should also be included. In addition, the information

<sup>17</sup> See the latest survey by one of the largest ADR schemes in Europe according to which 38% of consumers found out about the ADR entity by being referred to it by the trader (<https://soep-online.de/2024/02/02/schlichtung-statt-streit-unternehmen-weisen-den-weg/>).

<sup>18</sup> Federal Office of Justice: Consumer Disputes Report 2022, p. 89 f. with further references.

<sup>19</sup> Section 15 German Rail Transport Act (*Eisenbahnverkehrsordnung*, EVO).

<sup>20</sup> [https://www.verbraucherschutzministerkonferenz.de/documents/ergebnisprotokoll-19-vsmk\\_oeffentlich\\_18-07-2023\\_1689678836.pdf](https://www.verbraucherschutzministerkonferenz.de/documents/ergebnisprotokoll-19-vsmk_oeffentlich_18-07-2023_1689678836.pdf), TOP 10 No. 3 (last accessed on 15/12/2023).

<sup>21</sup> Steffek/Greger: Verbraucherstreitbeilegung: Zehn Optionen zur Reform (Consumer Dispute Resolution: Ten Options for Reform), ZRP 2022, p. 203.

<sup>22</sup> Recital 1.

<sup>23</sup> Available at: <https://op.europa.eu/en/publication-detail/-/publication/e93a7d75-6c97-11ee-9220-01aa75ed71a1/language-en>, p. 10 (accessed on 15/12/2023).

<sup>24</sup> See resolution of the German Bundesrat, Drucksache (official document). 581-23, No. 1 a); see also footnote 19.

<sup>25</sup> The final report of AFC Public Services GmbH on compliance with the obligation to provide information according to Sections 36, 37 of the German Consumer Dispute Resolution Act (*Verbraucherstreitbeilegungsgesetz*, VSBG) finds that in 86% of cases information about consumer dispute resolution is also available on the company website, while in 47% exclusively on the company website (p. 225).

<sup>26</sup> Ibid, p. 207 ff.

should be provided at the time of order confirmation and invoicing to ensure subsequent ease of access.

### **VZBV RECOMMENDS**

expanding the scope of Article 13 (2) of the ADR Directive to include company profiles on social media channels. The information must also be provided at the time of order confirmation and invoicing.

## **5. CLARIFY THE ROLE OF CONTACT POINTS**

### **5.1 Retain Member States' freedom to choose**

In contrast to the wording to date, the new Article 14 (2) limits Member States' freedom to choose the entity that acts as contact point. Member States must confer responsibility for the operation of the ADR contact points on the European Consumer Centres or, "if this is not possible", consumer organisations. Both vzbv and some ADR entities do not consider this to be ideal. It symbolically calls the neutrality of ADR into question. Furthermore, no reason is given for limiting Member States' freedom to choose.

### **VZBV RECOMMENDS**

Member States must be permitted to choose which entity is the most suitable ADR contact point. The additional phrase "or on any other body" in the currently applicable Article 14 (2) must therefore be retained.

### **5.2 Retain independence of ADR and consumer advice**

As detailed above in III. 1., vzbv stresses the importance of a balanced overall structure comprising consumer advice, ADR, and enforcement. These tasks should be retained as independent areas and consumer advice should remain separated from ADR work both from an organisational and an institutional point of view. It is also important that consumers recognise and understand this separation.

With respect to ADR contact points, Article 14 of the proposal envisions almost identical responsibilities to the online dispute resolution contact points to date, as regulated by the relevant Regulation<sup>27</sup>. The tasks are now vague and no longer clear. In contrast to the wording to date, which lists the responsibilities of the online ADR contact points<sup>28</sup>, Article 14 (3) of the proposal states that the responsibility of ADR contact points "may include, in particular", before providing a list. In vzbv's view, the responsibilities of ADR contact points must be clearly and conclusively defined; it is crucial for consumers to know what to expect. This is particularly important because, according to the proposal, traders should also be able to seek support. With respect to the ADR contact points, it should be explicitly stated that their role is solely to offer assistance regarding the procedure, and not to provide advice. There must not be a body that advises both consumers and traders. Advice never happens from a neutral standpoint but only by fully identifying with the one or the other party. In Germany, for example, the Consumer Associations provide advice and help to consumers.

### **VZBV RECOMMENDS**

The responsibilities of ADR contact points must be clearly defined. Article 14 (3) should be worded as follows: "The ADR contact points shall not advise the parties,

<sup>27</sup> Regulation (EU) No 524/2013 of the European Parliament and of the Council on online dispute resolution for consumer disputes.

<sup>28</sup> Ibid, Article 7 (2) a) (i) to (v).

but shall facilitate communication between the parties and the competent ADR entity. They have the following tasks: (...)”

### 5.3 Avoid duplicate structures

The proposal states that the ADR contact point activities do not have to be restricted to cross-border disputes. To prevent unnecessary duplication of structures and costs, the Member States should be encouraged to designate an entity to assist in domestic disputes only in the event that a comparable entity does not already exist. In Germany, the Consumer Associations are already in a position to support consumers in this area when it comes to ADR procedures.

#### **VZBV RECOMMENDS**

ADR contact points should not be created for domestic disputes if the Member State already has a competent entity to perform such tasks.