Alternative Dispute Resolution in the Air Passenger Rights sector

ECC-Net Joint Project 2012
// Introduction:

The necessity and benefit of Alternative Dispute Resolution (ADR) entities for consumer issues is recognized today not only by consumer organizations, national authorities and European institutions, but increasingly in the business sector.

There is no longer the need to elaborate on the qualities of ADR, allowing consumers to find a solution with a trader and avoiding court procedures: rapidity, low costs, simplicity, etc.

Over the last years, the ECC-Net has received a steadily increasing number of complaints in the air passenger rights (APR) sector.

The existence of a well-functioning ADR entity would be a key for reaching a high number of mutually satisfactory solutions. This report therefore aims to establish a picture of the current situation regarding ADR in the air passenger rights sector and to develop recommendations.

The ECC-Net’s involvement in APR:

The EU-wide network of European Consumer Centres (ECC-Net) in its current form exists since 2005. The network’s objective is to strengthen the consumers’ trust in the single market. The network is co-funded by the European Commission (EC) and the Member States of the European Union (EU). It is specialized in dealing with consumer requests concerning their rights within the EU and handles cross-border consumer complaints. Transactions in the APR sector are very often of a cross-border nature and therefore at the heart of the network’s concerns and activities. The ECC-Net also provides feedback to national and EU stakeholders, based on practical experience. Since 2005, basically since the Montreal Convention and especially the entry into force of Regulation 261/2004, the ECCs reported an increase in enquiries related to APR and in difficulties of resolving complaints. Several reports on this subject have been published.

The ECC-Net statistics, based on the internal database “IT-Tool” managed by the EC, shows that since 2010 approximately 20% of the network’s activities concern APR.

2010 was a year marked by the volcanic eruption in Iceland and the closure of the EU airspace. It was also a year of heavy snows in winter. 2012 was a year marked by many insolvency procedures. However, not all complaints in the APR sector are linked to exceptional circumstances.

Nevertheless, the volcanic eruption in Iceland in 2010 and the following ash crisis allowed a first comparison of complaint handling by airlines throughout the EU, Iceland and Norway. Only 31% of the cases handled by the ECC-Net could to be settled amicably. This exceptional event was therefore a starting point for Member States to focus on the possibilities of ADR in this specific sector. Furthermore, several enforcement authorities as well as airlines realized the necessity and benefits of this complaint-handling mechanism by creating or cooperating with ADRs. Indeed, ADR bears advantages for all sides; for consumers: a chance to find a solution instead of giving up on a complaint they might have (entailing all the negative impact this has on the confidence of consumers) or going to court (entailing a lengthy and complicated process); for airlines: being given the opportunity to demonstrate their interest in their customers’ concerns; for the enforcement authorities: being at the heart of citizens’ concerns as well as balancing business interests.

Air Passenger rights remain a hot spot


(1) Convention for the Unification of Certain Rules for International Carriage by air, done at Montreal on 28 May 1999


Convention, Regulation 261/2004, the Court of Justice of the European Union (CJEU) “Sturgeon”, and “Nelson”, cases’).

On the occasion of the celebration of the “20 years of the EU single market”, passenger rights have been identified as one of the challenges for the future: “despite EU efforts to inform passengers on their rights and to monitor their enforcement, air passenger rights are often not well respected”.

Consumers therefore seek ways of redress other than the direct contact with an airline. The first court cases are in progress, also the European small claims procedure is of help to some consumers. However, most consumers continue to be reluctant to engage in a long judicial procedure and would prefer a simpler process arbitrated by an objective third party. The enforcement authorities are only of limited help as not all of them handle individual complaints.

**CJEU Nelson case confirms the previous Sturgeon case law**

A new decision of the CJEU was given on the 23rd of October 2012 (“Nelson case”), confirming the court’s earlier jurisdiction in the “Sturgeon case”, stating that passengers whose flights are delayed may be treated, for the purposes of the application of the right to compensation, as passengers whose flights are cancelled. Therefore, they may rely on the right to compensation laid down in Article 7 of Regulation 261/2004 when they suffer, on account of the flight delay, a loss of time of three hours or more.

This decision is very welcomed by the ECC-Net as it confirms and strengthens the consumer’s right to compensation when encountering flight delays. This will hopefully lead to more consumers claiming their rights, as the consumers’ confidence that a contact with the airline will prove successful, is strengthened. In case the first claim is not treated satisfactorily, consumers may then turn to an ADR to resolve the dispute and ultimately receive compensation directly from the airline without entering into a legal conflict. Hopefully, the airline companies will also genuinely consider the consumers’ complaints and promote the airlines’ willingness to find an amicable solution out of court.

// Aim of the study

The ECC-Net, rich with 7 years of experience in cross-border consumer issues, has therefore decided to evaluate the current state of possibilities for ADR in the APR sector.

As a general remark, the ADR landscape varies considerably from one country to another and has not yet reached its full potential, especially in the APR sector.

This study highlights the ADR entities available in the APR sector all over the European Union, Iceland and Norway, compares practices and provides suggestions to improve the system and to better coordinate ADR with other stakeholders: National Enforcement Bodies (NEB), ECC-Net, European institutions, airlines and business from the travel sector and, of course, consumers.

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(5) Judgment of the Court, 19 November 2009 in Joined Cases C-402/07 Christopher Sturgeon and Others v Condor Flugdienst GmbH and C-432/07 Stefan Böck and Cornelia Lepuschitz v Air France SA and Judgment of the Court, 23 October 2012 in Joined Cases C-581/10 Nelson and Others v Deutsche Lufthansa AG and C-629/10 TUI Travel and Others v Civil Aviation Authority

(6) http://www.singlemarket20.eu/challenges/overview/display?id=33


(8) ECC-Net European Small Claims Procedure Report, September 2012
Protocol of the study:

ECC France and Germany were project leader of this study and sent out a questionnaire to get as much relevant information as possible on ADR entities in each Member State, Iceland and Norway, in order to compare the different characteristics.

Participants: ECC Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Norway, Portugal, Poland, Romania, Slovakia, Spain, Sweden, The Netherlands, United Kingdom.

Abbreviations:

ADR = Alternative Dispute Resolution
APR = Air Passenger Rights
CAA = Civil Aviation Authority
CJEU = Court of Justice of the European Union
EC = European Commission
ECC = European Consumer Centre (ECC-Net)
NEB = National Enforcement Body
ODR = Online Dispute Resolution

Legal texts:


- Convention for the Unification of Certain Rules for International Carriage by Air (the Montreal Convention), 28 May 1999

- Regulation (EC) No 2027/97 of 9 October 1997 on air carrier liability in the event of accidents

- Judgment of the Court, 19 November 2009 in Joined Cases C-402/07 and C-432/07 ("Sturgeon case")

- Judgment of the Court, 23 October 2012 in Joined Cases C-581/10 Nelson and Others v Deutsche Lufthansa AG and C-629/10 TUI Travel and Others v Civil Aviation Authority

- Proposed Directive on consumer ADR for effective, impartial and transparent ADR entities for all kinds of consumer disputes

- Proposed Regulation on consumer ODR - online platform for resolving consumer disputes about online purchases in another EU country
This report arises from the project European Consumer Centres’ Network – ECC-Net, which has received funding from the European Union and the Member States, in the frame of the Program of Community action in the field of Consumer policy for 2007-13. The report may contain opinions that do not necessarily reflect those of the European Commission/EAHC or national funding bodies.
1. ADR schemes in the European Union, Iceland and Norway

The first result of this study reveals that there is no common ADR scheme in the APR sector within the European Union, Iceland and Norway. As in other consumer sectors, the setup of ADR depends on the national context of each country, established in accordance with its own habits, administrative organization, consumer representation schemes, etc.

This study tries to outline the major trends to be observed when looking at the different ADRs existing in the APR sector.

1.1. Different types of ADR schemes if an ADR exists to handle APR cases

LIST OF ADR SCHEMES FOR APR

The list of ADR bodies can be found at the end of this report, page 24.
• **Countries with no ADR existing:**
  Some countries do not have an ADR able to handle APR cases:
  These countries are Austria, Bulgaria, Ireland, Romania, Slovakia, the United Kingdom, and since the 1st January 2012, the Netherlands as the Consumer Complaint Board for Aviation stopped its activity (see box 1).
  Consequently, in these countries, consumers do not have any access to an ADR entity in the APR sector. If they have a complaint, they will have to turn directly to the company or invoke a court procedure to try and enforce their passenger rights.

• **ADR with a general competence (not solely for APR or travel cases)**
  Many EU countries as well as Iceland have an ADR entity with a general competence which therefore also includes disputes concerning APR (Czech Republic, Cyprus, Denmark (Consumer Complaints Board), Estonia, Finland, Germany (Online-Schlichter), Greece, Hungary, Italy with “RisolvìOnline”, Latvia, Lithuania, Malta, Portugal, Poland and Spain).
  In Sweden, even though the consumer must turn to a general ADR entity which can intervene in any consumer sector, the ADR provides a specific travel department, handling travel related cases including APR cases.
  In Germany (Online-Schlichter), Hungary, Spain and Portugal, the competence of the ADR entity is limited to a specific region.
  In some cases its competence depends on the value of the complaint (Cyprus, Denmark (Consumer Complaints Board) and Portugal). The competence of the CACCL (Centro de Arbitragem de Conflitos de Consumo de Lisboa), for example, is limited to the Lisbon district and to consumer complaints of under 5000 € (there is also a national arbitration centre, whose territorial competence covers the regions in the mainland and Azores Autonomous Region where there is no other competent arbitration center).
  The Danish Consumer Complaints Board is empowered to hear complaints relating to goods or services that cost at least DKK 80 (approx. 105 €). The upper limit for all cases is DKK 100 000 (approx. 13 400 €).
  The value of complaint must not exceed 3000 € in Cyprus and 30000 € in Germany (SöP).

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**1. NL: Functioning of the former Complaint Board for APR claims in The Netherlands**

On January 1st 2012, the activity of the Consumer Complaint Board for Aviation stopped its activity due to the Dutch Board of Airline representatives (BARIN) withdrawing its cooperation. This ADR was notified with the European Commission and every member of BARIN was participating in the ADR process, even the low cost airlines. The Complaint Board worked with a Commission of which half of the representatives were consumers and the other half consisted of representatives from airlines.

The ADR decision was binding for the companies.

The board published several of its decisions, guaranteeing that the parties remain anonymous.

The role of this Complaint Board was distinct from the role of the NEB.

Restrictions: this procedure was not free of charge for consumers and the competence was limited to flights leaving from a Dutch airport.

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**2. Example of a specific ADR for APR claims: Flyklagenemnda in Norway**

Norway is one of the only countries to have a specific ADR for air passenger claims, competent for disputes relating to scheduled air traffic. However, it can also handle claims against travel agencies or airports if they are linked to the application of the EU Regulation 261/2004. This ADR was established by a public initiative and is notified with the European Commission. The Board is financed by a fee imposed by the Ministry of Transport, which is paid by all airlines operating from Norwegian airports. In 2009, the fee was 0.20 NOK (approx. 0.03 €) per passenger travelling from a Norwegian airport. The procedure is free for consumers.

The airlines participate in the procedure. The consumer invokes the procedure with his claim; the secretary of the Board asks for the airline’s position. The answer is communicated to the consumer for comments and then the whole file is submitted to the Board for a decision, which will be communicated to each party. The decision is not binding for the airline but in case the airline does not adhere to it, the case is published in a specific section on the Board’s website.

During the procedure, in order to complete the file before coming to a decision, the ADR can benefit from the expertise and cooperation of the NEB (CAA) in Norway.

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**3. Example of an ADR set by an airline: Alitalia’s mediator**

This is the only example among all of the European airlines in which a company has set up a Mediation service for its customers.

Alitalia has signed a complaint handling protocol with the major Italian consumer associations. The conciliation is managed by the signatory consumer associations and the airline.

With the help of the ECC Italy, the scheme has been improved over the years. Even if the issue raised concerning the independence of the scheme has not yet been completely clarified, the ADR has demonstrated its genuineness and effort in regard to the handling of cases and in helping consumers find amicable solutions in cases where the customer service has given a negative answer to the consumer or has not answered the consumer’s complaint within a pre-established time limit.

Advantage: transparency for the consumer by the written rules of procedure and amicable settlements even if no legislative provisions are applicable to the case.

Disadvantage: third part missing
• ADR entities specific for the travel sector or Air Passenger rights disputes:

Only two countries have an ADR entity specifically dedicated to handling claims in the Air Passenger Rights sector. Norway provides an ADR which is exclusively competent in APR (see box 2). In Italy, an ADR for APR claims exists, but it can handle disputes only against Alitalia as this Conciliation Board was established by this Italian airline (see box 3). In France, a service of the CAA offers a kind of informal ADR entity to passengers.

In six countries, ADR entities, specialized in the travel sector, have been set up and are also competent to handle claims involving APR (Belgium, Denmark (Danish Travel Industry Complaints Board), France, Germany (SöP), Iceland and Luxemburg). Nevertheless, specific requirements must be met:

In Belgium, the ADR can only intervene in disputes relating to package holidays, including the disputes involving transport services which are part of the package. However, the ADR cannot intervene in cases concerning the purchase of flight-only services. In Denmark, the Danish Travel Industry Complaints Board handles complaints regarding package holidays and transport services departing from Denmark and sold by a company based in Denmark. The ADR cannot intervene regarding flight-only cases. For flight-only complaints, it is the competence of the general Consumer Complaints Board.

The CLLV (Commission Luxembourgeoise des Litiges Voyage) in Luxembourg can handle both package holidays and flight-only complaints. In Germany, the SöP (Conciliation Body for Public Transport) can handle disputes of consumers in the whole transport sector: rail, ship, bus and flights.

In Iceland, and very recently in France (since January 2012), an ADR was created in the travel sector that includes APR. However, these ADRs can intervene only if the air carrier is a member of the trade associations having set up the ADR. For example in France, the MTV (Médiation Tourisme et Voyage) can handle claims against Air France as the airline adhered to the ADR entity, but it cannot handle claims against any foreign airline as none of them is a member of this ADR entity.
1.2. Area of intervention in APR cases

It appears to the ECC-Net that, in general, even though the ADR is not specifically specialized in APR, any case based on Regulation 261/2004, the Montreal convention or the “Sturgeon” case law should be dealt with. However, some ADRs have restrictions concerning the legal sources they can apply.

Also, depending on the ADR entity, the ADR will either base its decision process exclusively on the legal texts and examine whether the trader has correctly implemented relevant APR legislation, or it will additionally take into account other ADR principles such as fairness and equity.

For example, the French ADR can handle cases in which the relevant APR legal texts were not applied by the airline. For the ADR decision, however, it will also take into account equity in order to propose a compromise which might not meet the compensation or refund limits, provided for in the legal texts, to the full extent. The ADR is not meant to enforce the texts, the text are a basis for negotiation in order to find a solution acceptable to both parties.

In most countries, ADRs apply all, for the consumers’ complaint relevant legal texts (Cyprus, Estonia, Finland, France, Germany, Hungary, Iceland, Italy, Lithuania, Luxemburg, Norway, Portugal, Spain and Sweden). The following table shows which specific APR legal basis the ADR in Latvia and Denmark will not consider.

<table>
<thead>
<tr>
<th>Countries</th>
<th>APR source not applied by ADR</th>
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<tr>
<td><strong>Denmark</strong>: Both ADRs (general ADR and Danish Travel Industry Complaints Board travel ADR) intervene only on the basis of a breach of contract but can base their decision on the Montreal convention.</td>
<td>Regulation 261/2004 (dealt with by the Danish Transport Authority) but delay and cancellation may also constitute a breach of contract.</td>
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<tr>
<td><strong>Latvia</strong>: Legal provisions can only be implemented by the national courts. CRPC considers only Regulation 261/2004. CRPC cannot give a decision (which could then be binding for traders) but only assists consumers by informing them on passenger rights and further possible actions, and by receiving the airline’s explanations and documentary evidence. CRPC only informs the trader and the consumer of the consumer’s possibility to file a complaint, its legal basis and the possibility that the consumer might succeed in a court case.</td>
<td>Montreal Convention and “Sturgeon” and “Nelson” case law</td>
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</tbody>
</table>
1.3. Creation of ADR entities and financing of the system

On which initiative the ADR entity was created and its funding is quite relevant in understanding why certain countries propose ADR entities with a general competence and others offer specialized ADRs. It also allows for a better understanding of the decision-finding process.

Usually ADRs with a general competence were created by a public initiative (Ministry, public services, etc.) and specialized ADRs are normally and initially formed by a private initiative (from traders and/or consumers associations) with occasional support from public authorities to maintain the service and to guarantee its efficiency or independence.
1.4. Notification of an ADR

The European Commission has drawn up a list (http://ec.europa.eu/consumers/redress_cons/schemes_en.htm) of all the ADRs in every consumption sector that have been notified by the Member States as being in conformity with the Commission’s Recommendations 98/257/EC and 2001/310/EC and therefore respect the following criteria:

› Independence
› Impartiality
› Transparency
› Adversarial principle
› Effectiveness
› Legality
› Liberty
› Principle of representation
› Fairness

Being part of the main ADR entities in their respective countries, the ADRs with a general competence are usually notified to the European Commission as being in conformity with the above mentioned recommendations.

There is one exception: Cyprus has not yet notified its ADR to the Commission as it was created only recently.

Regarding specialized ADRs for the travel sector or APR, the Alitalia’s Conciliation Board and the Icelandic ADR are not notified.

Nevertheless, the ECCs Italy and Iceland work with them on a regular basis as these ADRs respect the EU recommendations on ADR. According to ECC Iceland, the Icelandic ADR would only need to make minor changes in order to be notified.

The ADR set up by Alitalia is, for the moment, considered an experimental ADR by the ECC Italy and the DG SANCO.

In France, the MTV is not yet notified as it is operational since a few months only and it cannot be examined yet as to whether or not the European Commission Recommendations are complied with.

Beside the above mentioned exceptions, all the other ADRs coming from private initiatives are notified.

1.5. ADR and/or NEB ?

Article 16 of Regulation 261/2004 obligates each Member State to designate a “body responsible for the enforcement of this regulation”.

The European Commission has published a list of these National Enforcement Bodies (NEB), nominated by each Member State of the European Union, Iceland, Norway (and Switzerland), which have the power to enforce the Regulation 261/2004.

Generally, Member States designate the National Civil Aviation Authority (CAA) as NEB. In accordance with the national administration organization or the mission given to the NEB, some of these bodies are able to handle and to enforce cases individually (for example in Denmark). In other countries, the NEB is entitled to intervene only on behalf of a common interest and to enforce the Regulation according to this common objective only.

The situation appears to be quite confusing for passengers when the NEB also offers a kind of ADR service for individual claims such as the French NEB (DGAC) or when the ADR is also able to enforce the Regulation, such as CRPC in Latvia.

In France, the DGAC (Civil Aviation Authority) was designated as NEB. According to its mission as NEB, it has the power to enforce the Regulation and to sanction companies. Therefore, the DGAC can only intervene in the general interest of passengers and cannot enforce individual disputes. But the DGAC has also developed an ADR service which is able to handle individual claims but strictly on an amicable ground and solely to help consumers receive an

(9) 98/257/EC: Commission Recommendation of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes
(10) 2001/31/EC Commission Recommendation of 4 April 2001 on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes
(11) Each Member State shall designate a body responsible for the enforcement of this Regulation as regards flights from airports situated on its territory and flights from a third country to such airports. Where appropriate, this body shall take the measures necessary to ensure that the rights of passengers are respected. The Member States shall inform the Commission of the body that has been designated in accordance with this paragraph.
answer from airlines concerning their claim. The DGAC, as ADR, does not propose dispute solutions or confirm the proper application of the Regulation.

For consumers, the distinction between the different roles of the DGAC is not always clear: when contacting the DGAC, consumers always hope to get an individual enforcement of their claim and do not understand the answers they receive, which are based on an amicable intervention.

Finland is quite an exception in the ADR landscape. It is the only country in which there is a general ADR competent for APR but which is also designated as a NEB. The tasks of the NEB in Finland are divided between 3 stakeholders:

- **Consumer Agency**
  The Consumer Agency supervises compliance with consumer protection legislation and consumer rights in general. The Consumer Agency supervises, among other things, the marketing and contract terms of airlines operating in Finland. The Agency does not process individual disputes.

- **Consumer Disputes Board**
  The Board issues recommendations concerning individual disputes in Finland. But the ADR does not have the possibility to sanction airlines - that is in the hands of the Consumer Agency only and for the purposes of collective consumer protection.

- **Finnish Transport Safety Agency (Trafi)**
  Trafi is responsible for supervising safety in air transport.

### 1.6. Traders participation in the ADR procedure

**Participation of Traders in the ADR procedure:**

One of the basic principles of ADR comprises that it is based on the good will of both parties - consumers and traders - to cooperate in finding an amicable solution to a dispute. The recourse to ADR is, in principle, not mandatory. In some ADR entities, however, the traders have freely submitted themselves to the possibility of an ADR and have agreed to participate in any ADR procedure initiated by a consumer.

In six countries, respectively Denmark (Consumers Complaints Board), Finland, Latvia, Lithuania, Norway and Sweden, the ADRs competence to rule is not dependent on the trader's acceptance to submit to an ADR procedure.

The participation of the traders in the ADR entities seems to be closely linked to the origin of the scheme, but also to its financing (see 1.3). For example, in Belgium, Iceland and Luxemburg, the ADR entities were first initiated by a private initiative of travel agencies, not the national airlines. Therefore, only the travel agencies or tour operators have agreed to participate in these schemes, which are also partially financed by these traders.

In the case of Alitalia's Conciliation Board as the ADR was set up directly by the airline, the company has evidently submitted to it and the competence of the ADR is exclusively limited to cases involving Alitalia (or an airline of the group).

The French MTV was also created by a private initiative of travel agencies and tour operator federations but also by the association of French air carriers. Thus, nearly the whole travel sector participates in this ADR entity and process.

The German SöP normally can only handle complaints against its members but it could successfully conciliate a number of cases with other airlines as well. A current legislative proposal aims to render participation in the conciliation procedure mandatory for all German airlines.

In most countries the ADRs deal with national companies. In Denmark for example the ADR (Consumers Complaints Board) can even handle complaints against foreign airlines.
Participation of traders:

- ADR schemes in which the national travel industry participates (Airlines, Tour Operators and Travel Agencies)
- ADR schemes in which the national airline companies participate
- ADR schemes in which national travel agencies or tour operators participate
- No participation of carriers
- ADRs competence to rule is not dependent on the trader’s acceptance to submit to an ADR procedure
- Trader participation on voluntary basis
- Countries with no ADR
- Not available
2. Relevant aspects of the procedures of the various existing ADR entities in the APR sector

2.1. Existence of written rules and basic principles of the ADR procedure

A charter to organize the procedure

As most of the ADRs (general or specific) are notified to the European Commission, it is quite natural that these same ADRs have written rules of procedure or a legal text which organizes their activities and the relation with the consumers. (This goes for Alitalia’s Mediator as well).

Costs and fees

Concerning fees, the majority of ADR entities are free of charge for consumers and traders regardless of the organizational background of the ADR. Some ADRs however ask for a fee from consumers, others from traders. In rare cases the procedure is with costs for both parties.

In the following countries the procedure is free of charge for consumers who will only bear their own costs (copies, postal or communication fees, etc.): Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Italy (Alitalia), Latvia, Lithuania, Luxemburg, Norway, Portugal, Spain and Sweden.

In Belgium (50 € for conciliation/min. 100 € for arbitration) and Denmark (21 €/37 €) consumers will have to pay a submission fee which will be recovered if the consumer wins the case or the case is dismissed.

In Italy (RisolviOnline) the consumer will have to pay a fee depending on the value of the claim (starting at 25 €). The fee is due only if the trader accepts to take part in the proceeding.

In Hungary there is no submission fee but the consumer might pay justifiable costs of the proceeding if the case is lost.

In Cyprus the consumer must pay a submission fee between 5 to 17 € depending on the claim and if the case is lost 85 to 170 € arbitrators fees, depending on the value of the complaint.

In Norway, only the trader has to pay a fee for the mediation procedure (see box 3). In Iceland, where the ADR is initiated by a private initiative (consumer association and carrier federation), both parties have to pay a fee to participate in the procedure.

Regarding Alitalia’s Conciliation Board, as it is initiated by the airline, the costs are solely covered by the airline.

Type of procedure: Online Dispute Resolution (ODR) or hearings

Most of the ADRs provide a distance procedure, especially for claims from foreign consumers. Usually, this is concluded in writing and the parties do not have to be present at a hearing. The ADR will ask each party to present its position regarding the claim in order to form its opinion and to propose a solution. In some cases, the ADR will ask a third party to present an expert’s opinion if this is necessary for a better evaluation of the case.

In a few number of countries, a hearing is organized to deal with the case in the presence of both parties. It can be observed that in these countries (Estonia, Hungary), the ADR has a general competence and was initiated by public authorities and, in case a foreign consumer cannot be physically present at the hearing, the ECC of these countries can generally help the consumer to be represented at the hearing.

Opportunity for an ADR to be provided with access to an expertise

Most of the ADR entities have the opportunity to seek expertise and/or expert opinions in order to propose an adequate solution (except Czech Republic, Finland, Germany (Online-Schlichter), Italy (Alitalia), Luxemburg, Poland, Spain and Sweden). Mostly, an external organization (meaning that it is not an internal service of the ADR or of the trader) is commissioned with the expertise. This is the case for the ADR in Cyprus, Denmark, Estonia, Latvia, Portugal and Norway. Often the ADR can contact the National Civil Aviation Body or the NEB to receive the analysis of an expert (for example in Denmark (Consumer Complaints Board) and Norway). The Latvian CRPC can even seek an opinion or
information from any competent body also abroad. In France, the MTV will ask the carrier for an expertise, which will not be communicated to the consumer because of a confidentiality agreement between the ADR and the traders. In Belgium as well, the Commission for Travel can ask the tour operators and travel agencies to provide an expertise. Concerning the Alitalia’s Conciliation Board, the procedure can be suspended to turn to the NEB for an expertise.

Duration of case handling

The Charters set by ADR entities foresee certain duration for the handling of the cases which are submitted for mediation or arbitration. -> see map above

Report of activity

Most of the ADR entities draft an annual report, providing statistics and the outcome of the work of the ADR. The decisions of the ADRs are rarely published and if they are, the identity of the parties will generally be anonymized and the decisions often published on the ADR’s website, not in the annual report.
RisolviOnline, the general Italian ADR, established by the Milanese Chamber of Commerce, handles cases and provides answers to consumers in almost all EU languages, according to its procedural rules. Therefore usually a translation of the decision is not necessary.

The Court of Arbitration in Portugal is able to translate its decisions into English.

So in most cases, a foreign consumer will be confronted with a language barrier in introducing or following his complaint. Some ADRs exclusively address the decision to the involved parties. The consumer will then receive a ruling in the language of the ADR. The intervention of ECCs as facilitators in this process\(^ \text{13} \) is therefore very helpful and smoothens the process.

Linguistic case handling within the ECC-Net:

Whenever a consumer has a cross-border complaint, he/she can turn to the ECC in his/her country of residence. The consumer ECC will examine the case and once all the documentation has been provided, the case will be sent via the Intranet “IT-Tool” to the country of the trader. If applicable, the consumer ECC will include a legal analysis, based on the national consumer protection rules. The trader ECC will contact the trader or, if possible, send the case to an ADR-body. Trader or ADR will be addressed in the trader country’s language. Throughout the entire procedure, consumer and trader ECC remain at the disposal of the respective parties for further comments, enquiries or a follow-up of the case. If the ADR renders a decision which is not in English or in the consumer’s language, the trader ECC will provide at least a summary of the decision in English and the consumer ECC can translate it into the consumer’s language.

\(^ {13} \) In accordance with art 6 of the proposal for a Regulation on Consumer Online Dispute resolution and art 11 of the proposal for consumer disputes and amending Regulation n°2006/2004 and Directive 2009/22/EC

\(^ {14} \) The Euroguichets were created in the early 1990s at the Commission’s initiative in order to inform consumers about the possibilities of the internal market and consumers’ rights.

\(^ {15} \) Council Resolution of 25 May 2000 on a Community-wide network of national bodies for the extra-judicial settlement of consumer disputes

2.2. Language and translation

For the majority of the ADRs, the written rules of procedures do not foresee the possibility to submit a complaint or to handle a case in any other language than the official national language(s). For a few ADRs, English can be an option for cases involving foreign consumers, or they even may accept several other languages, depending on the human resources of the ADR.

In Belgium, France, Germany (Online-Schlichter) Poland and Spain, the submission to the ADR can be made exclusively in the national language. In the Czech Republik, Cyprus, Estonia and Hungary, in principal, the ADR procedure will be in the national language, but some ADRs may accept English (or German as well for Hungary).

In the following countries the ADR will accept the national language(s) and English: Italy (Alitalia), Latvia, Lithuania, Luxemburg, Portugal and Sweden (if the trader accepts a submission in English).

In Denmark, the Consumer Complaints Board may accept a case filed in English or a Scandinavian language. The answer by the ADR, however, will only be provided in Danish.

For the SöP in Germany, the official language is German, but the ADR can also handle cases in English and requests in French.

In Iceland Icelandic and any other language agreed on with the ADR are possible.

In Norway as well, the board may accept a case filed in English or a Scandinavian language and there might be a short summary of the decision in English but mostly, the ECC Norway will ensure that the consumer ECC can understand the ruling.

Regarding possible translations of the ADR decisions or communications from the ADR into other languages, only three ADRs are able to offer this service.

In Finland, the language of the ADR is Finnish and Swedish but in cases under Reg 261/2004, consumers can submit their complaints also in English; in such cases, the rulings will also be given in English.
2.3. Participation of ECCs in the ADR process

The current ECC-Net has been set up in 2005 by the merger of two existing networks: the network of the Euroguichets as information centres for consumers (since 1992) and the EEJ-Net, competent for out-of-court settlements of consumer disputes, especially by promoting ADR (since 2001). The recourse to ADR therefore is an integral part of the work of the ECC-Net.

The ECC-Net is co-financed, through grants, by the Member States and the European Union. The EU grants are provided on the basis of a grant agreement signed by the European Commission and the host structures of the ECCs and approved by the Member State’s authority. The grant agreements include a Vademecum which sets out the global objectives of the ECC-Net.

The objective 4 and 5 of the Vademecum provide that the ECCs help consumers with their dispute by determining the appropriate ADR, giving all the necessary information and assistance, allowing the consumer to access an ADR and monitor the ADR process. ECCs should also contribute to promote and develop ADR in the Member States. In general, therefore, the ECCs work in cooperation with the ADR entities. Especially if the ADR has a general competence and can therefore handle many different types of consumer disputes, an ECC can quite regularly transfer cases to that ADR.

Some ECCs intervene more directly in the ADR procedure. The ECC Sweden, for example, can sit in on the ADR board as an expert, this, however, only in those cases in which the ECC Sweden hasn’t been the referring part.

The representative of the ECC Estonia can participate in the hearing of the cases transmitted by the ECC to the ADR. It can also help to complete the file in order to initiate the procedure.

In Hungary, the ECC and the consumer are represented by the respective case handler at the hearing.

2.4. Binding aspect of the decisions

Whereas a consumer is always free to decide whether or not to accept the decision of the ADR or to pursue the case in court, in some cases the decision is binding for the trader.

If the company does not follow the decision or the notice given by the ADR (binding or not), in some countries it is possible to use this in court. If an ADR’s decision can be used in a court procedure, it becomes part of the documentation of the file, but is, of course, not binding for the judge.

In Cyprus and Portugal the decision is binding on both parties. The decision by the ADR can be enforced as a court decision.

In Spain the decision of the arbitration board has the same legal force as a court judgment.

In Denmark the general ADR decision will be presented to the trader who has 30 days to comply or to inform the board in writing it will not. If there is no information, the decision is binding and can be enforced by a bailiff. Non-compliance will result in name and shame. Concerning the Danish Travel Industry Complaints Board the decision can be used in court, but the judge is not bound by it.

In Norway, a decision of the ADR has a strong impact and can be considered as a source of law by the judge.

In Belgium, the arbitration decision is binding on the trader and no legal procedure is possible.

In Estonia the decision is not binding for the parties. If they do not agree with the decision, they can take the case to court. If the trader fails to comply with the ADR decision, the name of the trader will be published in the “black list” on the Consumer Protection Board homepage.
Binding aspect of the decisions:

- Blue: Decision binding
- Green: Decision not binding
- Red: Countries with no ADR
- Gray: Not available
In Hungary, if the ADR's decision is only binding if the trader has notified the ADR entity, even before or during the proceeding, that it accepts it as binding. If there is no such notification then the decision is only a recommendation. In case of non-compliance of a recommendation by the trader, the ADR entity - after the notification of the consumer - shall be entitled to publish a brief description of the case - without the name of the consumer - and outcome, within 60 days of delivery of the decision to the trader. In case of non-compliance of a binding decision or compromise the consumer can ask the court to declare the decision enforceable.

In Finland the decision is a recommendation and therefore not binding but there is a strong incentive. The most significant decisions are published without the names of the parties but a Finnish consumer organisation publishes a black list. Information appears on this list about two years after the case was submitted to the ADR.

In Sweden, the consumer magazine “Råd & Rön”, owned by the Swedish consumer organisation, uses the ADR decision data to publish the names of the traders not complying with the ARN decision. This "black list" is given wide publicity in Sweden and provides a strong incentive for business compliance.

In cases in which the Latvian CRPC has competence to render binding decisions, if the parties do not agree on a settlement, the CRPC will decide within an administrative procedure. Appeal is possible. If the trader does not comply, a compulsory execution can be started. Binding decisions can be published.

In France, the decision of the MTV is confidential and except agreement between both parties, it can not be used in a court procedure.

<table>
<thead>
<tr>
<th>Possibility to use ADR's decision in a judicial procedure</th>
<th>Denmark - Estonia - Finland - Germany (Söp) - Latvia - Luxemburg - Norway - Portugal - Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impossibility to use ADR's decision in a judicial procedure</td>
<td>Czech Republic - France - Germany (Online Schlichter) - Hungary - Iceland - Italy - Lithuania - Poland</td>
</tr>
</tbody>
</table>

Since the introduction of the single market, prices for tourism services have dropped considerably and with the arrival of low cost airlines, consumers travel more and more frequently by air. Complaints in the APR sector are constantly increasing (see introduction). Unfortunately, amicable satisfactory solutions cannot be found in all cases and if the consumer cannot receive the automatic remedies, foreseen by EU law, directly from the airline, he/she should have the possibility to turn to an ADR procedure. Court procedures are not always an option as they are long and costly for consumers. Furthermore, even if a court sentence is obtained, the consumer needs to enforce it.

ADR therefore seems a more affable and practical solution, restoring, at the same time, trust with the consumers and enabling communication with the airlines.

In the current state, even though some countries have very efficient ADR entities in the APR sector, the system is very diverse throughout Europe. In most countries, the NEBs usually do not have the mission or role of an ADR, i.e. helping to find an amicable solution in individual cases. It therefore seems necessary to ensure that each Member State provides an ADR in the APR sector to ensure that individual consumer disputes are dealt with. The recent proposals from the European Commission concerning ADR and ODR create incentives (http://europa.eu/rapid/press-release_MEMO-11-840_en.htm) to promote the use of ADR.

ADR must remain a swift option, easily accessible for consumers and as far as possible free of charge so that it remains a viable option for passengers/consumers.

In order to use ADR in the APR sector to its full potential, the ECC-Net draws the following conclusions for recommendations:

- Transport services by air are often cross-border, either because of the destination or the home country of the trader. Therefore, a full geographical coverage, with ADRs existing in each of the EU Member States, Iceland and Norway, would help promote ADR and compliance with APR. A full geographical coverage also makes sense in regard to the new project for a European ODR-platform, presented by the Commission. It appears that the principle mission of the platform will be to provide information to consumers and refer them to the competent ADR entities in each Member State.

- A close cooperation of ADRs and NEBs would allow a better monitoring of the sector. A clear distinction between both will make the landscape easier to comprehend for consumers. Enforcement being entrusted to the NEBs and ADRs would ensure the individual redress of consumers out of court. As this survey shows, in some countries the demarcation between ADR and NEB is rather thin, and NEBs may even perform both roles. The existence of both ADR and NEB would help clarify the options available for consumers in their individual case.

Similar initiatives have been taken in other sectors such as energy, for example: Directives 2009/72/CE (Electricity) and Directive 2009/73/CE (Gas) provide that each Member State must create a specific agency to govern the sector and supervise the proper implementation of the EU rules. The legal texts also determine that Member States should ensure an ADR entity which is able to handle consumer complaints with the providers. It is essential that ADR entities, the ECC-Net and NEBs work in close cooperation, each in its role, to provide sound advice and efficient help to consumers, to ensure the implementation of the EU regulations and to provide interpretations of the legal texts. Such a cooperation in each Member State, including the ECC-Net as a provider of communication and information between consumers and ADRs based in other Member States, is necessary to ensure the proper functioning of the internal market of air transport, not only for consumers but also among traders.

(16) For example, in the CJEU Wallentin-Hermann v Alitalia case, C-549/07, extraordinary circumstances have been defined by harmonizing the concepts of cancellation and long delay, impacting on the assistance issues.
• Such a system would also allow ADRs, and thus consumers, to have access to specific technical information needed for the assessment of a case. ADRs as well as NEBs have very different levels of competence regarding technical matters related to airplanes or airports. Close cooperation would allow access to the necessary expertise, to assess extraordinary circumstances etc.

• A close cooperation between ECCs, ADRs and NEBs should also help to clarify the complaint system in which the consumer will have to submit his claim. Indeed, geographical competence is not the same, depending on the stakeholder the consumer will turn to: Whereas the competent ECC to receive the consumer’s complaint will be the ECC of his/her country of residence, the competence of the NEB is incident-based (country in which the cancellation or delay occurred). An ADR in most cases is competent for the traders registered in its country, disregarding the nationality of the consumer.

Good practices

It seems necessary that the ADR entities involved in APR have a proper knowledge of APR issues in order to understand the problems linked to the implementation of the EU regulation or the Montreal Convention, even if the ADR is already notified with the European Commission for its general competence.

A good example is the Swedish Konsumentombudsman (KO), whose core function is to represent consumers’ interests in relation with businesses and represent consumers in individual cases and marketing issues. The KO has represented consumers in court cases concerning APR and is therefore familiar with the particularity of this subject.
4. List of ECCs

European Consumer Centres’ contact details are also available at:
http://ec.europa.eu/consumers/ecc/index_en.htm

AUSTRIA
EUROPEAN CONSUMER CENTRE AUSTRIA
MARIAHILFER STRASSE 81
1060 WIEN
Tel: +43 1 588 77 0
Email: info@europakonsument.at
Web: www.europakonsument.at

BELGIUM
EUROPEAN CONSUMER CENTRE BELGIUM
RUE DE HOLLANDE/HOLLANDSTRAAT 13
1060 BRUXELLES/BRUSSELS
Tel: +32 2 542 33 46 (NL)
Tel: +32 2 542 33 89 (FR)
Email: info@eccbelgium.be
Web: www.eccbelgium.be

BULGARIA
EUROPEAN CONSUMER CENTRE BULGARIA
BACHO KIRO STREET 14
1000 SOFIA
Tel: +359 2 986 76 72
Email: info@ecc.bg
Web: www.ecc.bg

CYPRUS
EUROPEAN CONSUMER CENTRE CYPRUS
ANDREAS ARAOUZOS 6
1421 NICOSIA
Tel: +357 228 67 177
Email: ecccyprus@mcit.gov.cy
Web: www.ecccyprus.org

CZECH REPUBLIC
EUROPEAN CONSUMER CENTRE CZECH REPUBLIC
ŠTĚPÁNSKÁ 15
12000 PRAGUE 2
Tel: +420 296 366 155
Email: esc@coi.cz
Web: www.evropskyspotrebitel.cz

DENMARK
EUROPEAN CONSUMER CENTRE DENMARK
CARL JACOBSENS VEJ 35
2500 VALBY
Tel: +45 4171 5000
Email: info@forbrugereuropa.dk
Web: www.forbrugereuropa.dk36

ESTONIA
EUROPEAN CONSUMER CENTRE ESTONIA
RAHUKOHTU 2
10130 TALLINN
Tel: +372 6201 708
Email: consumer@consumer.ee
Web: www.consumer.ee
www.ecc.ee

FINLAND
EUROPEAN CONSUMER CENTRE FINLAND
HAAPANIEMENKATU 4A, 7TH FLOOR
P.O. BOX 5
00531 HELSINKI
Tel: +358 1 194 676
Email: ekk@kuluttajavirasto.fi
Web: www.ecc.fi

FRANCE
EUROPEAN CONSUMER CENTRE FRANCE
BAHNHOFSPLATZ 3
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Tel: +49 7851 991 48 0
Email: info@cec-zev.eu
Web: www.europe-consommateurs.eu

GERMANY
EUROPEAN CONSUMER CENTRE GERMANY ECC KIEL OFFICE
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77694 KEHL 24103 KIEL
Tel: +49 7851 991 48 0 Tel: +49 7851 991 48 0
Email: info@cec-zev.eu Email: info@cec-zev.eu
Web: www.eu-verbraucher.de

GREECE
EUROPEAN CONSUMER CENTRE GREECE
ALEXANDRAS AV. 144
114 71 ATHENS
Tel: +30 21064 608 62
Email: ecc-greece@synigoroskatanaloti.gr
Web: http://www.synigoroskatanaloti.gr/index_ecc_en.html

HUNGARY
EUROPEAN CONSUMER CENTRE HUNGARY
JÓZSEF KÖRÚT 6
1088 BUDAPEST
Tel: +36 1 459 48 32
Email: info@magyarefk.hu
Web: www.magyarefk.hu

ICELAND
EUROPEAN CONSUMER CENTRE ICELAND
HVERFISGÖTU 105
101 REYKJAVIK
Tel: +354 545 1200
Email: ena@ena.is
Web: www.ena.is

IRELAND
EUROPEAN CONSUMER CENTRE IRELAND
MACRO CENTRE, 1 GREEN STREET
7 DUBLIN
Tel: +353 1 8797 620
Email: info@eccireland.ie
Web: www.eccireland.ie37
<table>
<thead>
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<tbody>
<tr>
<td>Austria</td>
<td>no ADR</td>
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<tr>
<td>Belgium</td>
<td>Commission Litiges Voyages/Geschillencommissie reizen Boulevard du Roi Albert II, 16, 1000 Bruxelles</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>no ADR</td>
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<tr>
<td>Cezch Republic</td>
<td>Mimosoudní řešení spotřebitelských sporů adr.komora.cz</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Arbitration procedures for settlement of consumer disputes (Law 78(I)/2011) 6 A. Araouzou, 1421, Nicosia, Cyprus, Competition and Consumer Protection Service, Ministry of Commerce, Industry and Tourism</td>
</tr>
<tr>
<td>Denmark</td>
<td>The Consumer Complaints Board Carl Jacobsens Vej 35 2500 Valby</td>
</tr>
<tr>
<td>Denmark</td>
<td>Rejse Ankenævnet (Danish Travel Industry Complaints Board) Røjelskær 11, 3. sal 2840 Holte</td>
</tr>
<tr>
<td>Estonia</td>
<td>Consumer Complaint Committee (CCC) Rahukohtu 2 10130 Tallinn Estonia</td>
</tr>
<tr>
<td>Finland</td>
<td>Kuluttajariitalautakunta/ Consumer Disputes Board P.O. Box 306 00531 HELSINKI</td>
</tr>
<tr>
<td>France</td>
<td>MTV (Médiation Tourisme et Voyage) BP 80 303 75 823 Paris Cedex 17</td>
</tr>
<tr>
<td>Germany</td>
<td>SöP - Schlichtungsstelle für den öffentlichen Personenverkehr (Conciliation Body for Public Transport) Fasanenstraße 81 10623 Berlin</td>
</tr>
<tr>
<td>Germany</td>
<td>Onlineschlichter Zentrum für Europäischen Verbraucherschutz e.V., Bahnhofsplatz 3, 77694 Kehl</td>
</tr>
<tr>
<td>Greece</td>
<td>Hellenic Consumer Ombudsman (HCO) 144 Alexandras Avenue, Athens GR – 11471</td>
</tr>
<tr>
<td>Iceland</td>
<td>Úrskurðarnefnd Neytendasamtaðakanna og Samtaka ferðaþjónustunnar Hverfisgata 105, 101 Reykjavik</td>
</tr>
<tr>
<td>Ireland</td>
<td>no ADR</td>
</tr>
<tr>
<td>Italy</td>
<td>The Mediation Chamber of the Chamber of Commerce in Milan / Online Dispute Resolution Service “RisolviOnline” Via Meravigli 9/B 20123 Milano MI</td>
</tr>
<tr>
<td>Italy</td>
<td>Conciliazione paritetica Alitalia (Alitalia’s Joint Conciliation) Alitalia, Piazza Almerico da Schio, 00154 Fiumicino RM</td>
</tr>
<tr>
<td>Country</td>
<td>Address</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Latvia</td>
<td>Consumer Rights Protection Centre of Latvia (CRPC/PTAC) K. Valdemara street 157, Riga, Latvia, LV-1013</td>
</tr>
<tr>
<td>Lithuania</td>
<td>State Consumer Rights Protection Authority ilnias g. 25, 01402 Vilnius,</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>CLLV (Commission Luxembourgeoise des Litiges Voyage) 55, rue des Bruyères, L-1274 Howald</td>
</tr>
<tr>
<td>Malta</td>
<td>Malta Arbitration centre and Malta Mediation centre Palazzo Laparelli, 33, South Street, Valletta, VLT 1100; Justice Unit, 30, Old Treasury Street, Valletta VLT 1410</td>
</tr>
<tr>
<td>Norway</td>
<td>Flyklagenemnda - Board on disputes relating to scheduled planes P.O.Box 2924, Solli NO-0230 Oslo</td>
</tr>
<tr>
<td>Portugal</td>
<td>Centro de Arbitragem de Conflitos de Consumo de Lisboa (CACCL) Rua dos Douradores, nº 108 - 2º e 3º - 1110-207 Lisboa</td>
</tr>
<tr>
<td>Portugal</td>
<td>Centro Nacional de Informação e Arbitragem de Conflitos de Consumo – CNIACC Av. da Republica nº44-3.º Esq.- 1050 - 194 Lisboa</td>
</tr>
<tr>
<td>Poland</td>
<td>Trade Inspection/ Wojewódzkie Inspektoraty Inspekcji Handlowej Trade Inspections are located by every Branch Offices of the Office of Competition and Consumer Protection</td>
</tr>
<tr>
<td>Poland</td>
<td>Wojewódzki Inspektorat Inspekcji Handlowej we Wrocławiu 50-059 Wrocław, ul. Ofiar Oświęcimskich 15a tel. (71) 344-20-38, 344-20-39 fax. 344-26-02 <a href="mailto:sekretariat@wiih.wroclaw.pl">sekretariat@wiih.wroclaw.pl</a> <a href="http://wiih.ibip.wroc.pl">http://wiih.ibip.wroc.pl</a></td>
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<td>Romania</td>
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<td>Slovakia</td>
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<tr>
<td>Spain</td>
<td>74 official ADR boards</td>
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<tr>
<td>Sweden</td>
<td>Allmänna reklamationsnämnden (ARN) Box 174 Kungsholmstorg 5 101 23 Stockholm</td>
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