

## UEAPME<sup>1</sup> arguments for the rejection of IMCO amendment 16 and the Council general approach on 30/5/2012 on the proposal for a directive for consumer ADR

### Consumer ADR needs to be C2B AND B2C

According to the proposal of the European Commission, the scope of the directive for consumer ADR includes claims from C2B but also the other way around, i.e. B2C. The European Parliament's Internal Market Committee (IMCO) voted on 10 July 2012 on an amendment to modify section 7 of the Commission's proposal, which would lead to limiting the scope of the consumer ADR directive to C2B only and excluding B2C. The Council general approach took a similar position. UEAPME stresses the importance of leaving the scope of the consumer ADR directive a 2 way street, which includes C2B but also B2C. Please find below the versions of the respective proposals and the reasons for keeping B2C in that scope as originally suggested by the Commission.

Text proposed by the Commission	IMCO vote of 10/7/2012 AM 16	Council General approach of 30/5/2012
<p>(7) This Directive should apply to contractual disputes between consumers and traders that are arising from the sale of goods or provision of services in all economic sectors. This should include complaints submitted by consumers against traders but also complaints submitted by traders against consumers. This Directive should not apply to disputes between traders; however, it should not prevent Member States from adopting or maintaining in force provisions on procedures for the out-of-court resolution of such disputes.</p>	<p>(7) This Directive should apply to contractual disputes between consumers and traders arising from the sale of goods or provision of services, <b>both offline and online, including the supply of digital content for remuneration</b>, in all economic sectors. <b>It should not apply to non-economic services of general interest, irrespective of the legal relation between trader and consumer.</b> This <b>Directive</b> should <b>apply to</b> complaints submitted by consumers against traders. This Directive should not apply <b>to complaints submitted by traders against consumers</b> or to disputes between traders; however, <b>this Directive</b> should not prevent Member States from adopting or maintaining in force provisions on procedures for the out-of-court resolution of such disputes.</p>	<p>(7) This Directive should apply to <del>contractual</del> disputes between consumers and traders <b>concerning contractual obligations stemming</b> that <del>are</del> arising from the <del>sales of goods or provision of</del> services <b>contracts</b> in all economic sectors <b>covered by this Directive</b>. This should include <del>complaints submitted by</del> consumers against traders but also <del>complaints submitted by</del> traders against consumers. This Directive should not apply <b>disputes arising from the sale or provision of digital content for remuneration. This Directive should apply to complaints submitted by consumers against traders. It should not apply to complaints submitted by traders against consumers</b> or to disputes between traders; however, it should not prevent Member States from adopting or maintaining in force</p>

<sup>1</sup>UEAPME subscribes to the European Commission's Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is 55820581197-35.

		provisions on procedures for the out-of-court resolution of such disputes.
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UEAPME asks the Council for the rejection of amendment 16 of IMCO and the rejection of the Council's general approach, in order to go back to the initial Commission proposal, on the basis of the following arguments:

### **Unknown but not unneeded**

Opponents to the B2C always claim that there is no data on the use of ADR for B2C and therefore businesses do not need it. Unfortunately ADR is still not known very well in many Member States, and even if it is known in some sectors it is still unknown in other sectors. Unfortunately, many SMEs are not yet aware of ADR, which in figures means that the vast majority of European businesses (99% of the European companies are SMEs) are not yet aware of ADR. Therefore, ADR is known too little to produce data in that respect. The conclusion that it is not needed cannot be drawn from the fact that the ADR system is not used much. As representatives of SMEs, we cannot repeat often enough how much we welcome the ADR/ODR initiatives and expect that in particular SMEs will benefit from it, once they get familiar with the system. Every year many SMEs go insolvent because they do not get paid by their customers and SMEs are unable or afraid of claiming the outstanding debts in a costly court procedure. Many insolvencies could be avoided if SMEs could benefit from a cheap and easy to assess out of court system.

### **B2C will help maintaining good relationship between businesses and consumers**

Above all, ADR is not just about losing and winning a case, but also about solving a dispute in an amicable way and maintaining a business relation after the dispute is over. In particular SMEs live from their reputation and a good relationship with their customers, so they would also benefit from the ADR/ODR in that respect.

### **B2C also beneficial for consumers**

Extending the scope of consumer ADR to B2C is also beneficial for consumers. Normally it is less stressful to be invited to participate in an ADR session than to be sued in court. If the consumer gets sued and loses a court case, he/she will have to pay the court expenses, the lawyer's fee and also the fee for the lawyer of the opposing party. If the case goes to ADR, the financial losses for the consumer would be significantly lower.

Therefore, UEAPME ask for the rejection of amendment 106 of IMCO and the council general approach of 30 May 2012 in order to go back to the initial Commission proposal "...*This should include complaints submitted by consumers against traders but also complaints submitted by traders against consumers...*"

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**For further information on this position paper, please contact:**

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