ALTERNATIVE DISPUTE RESOLUTION GAINS POPULARITY - REPORT FOR 2017

* **More than 18,000 motions for an out-of-court dispute resolution were submitted to the authorised bodies in 2017.**
* **Most often, consumers applied for mediation, conciliation or arbitration to the Trade Inspection, the Financial Ombudsman and the Arbitration Court at the KNF.**
* **UOKiK encourages undertakings to participate in the ADR system.**

**[Warsaw, 13 July 2018]** Alternative Dispute Resolution (ADR) has been introduced by the Act on Out-of-Court Consumer Dispute Resolution, which entered into force on 10 January 2017. This mechanism is much faster, less formalised than court procedure, and usually cost-free. It is based on a voluntary participation, where impartial experts help to resolve the dispute.

“*Currently, there are 9 bodies authorised\* to conduct ADR in Poland. They operate in various industries, therefore practically every consumer dispute can be resolved by a specialized institution. At the same time, the system is open to newly established ADR bodies”,* says Dorota Karczewska, vice-president of the Office of Competition and Consumer Protection.

We already know the first results of the Alternative Dispute Resolution in Poland. The authorised bodies and the President of UOKiK, who supervises the ADR system, have published reports for 2017.

**ADR in numbers**

The reports show that Poles willingly use the possibility to resolve consumer disputes in an amicable way. Last year they submitted 18,123 motions for ADR. Most often, they asked for help in concluding the dispute over the complaint regarding shoes and financial services.

Most of the motions were submitted to: Trade Inspection (8,413), Financial Ombudsman (3,741), Arbitration Court at the Financial Supervision Commission - KNF (2,977), President of the Office of Electronic Communications - UKE (1,703) and Banking Arbitrator (1,046). Some bodies that had already previously offered mediation or arbitration, noticed a very large increase in interest in their services after the Act entered into force. For example, the number of motions received by the Arbitration Court at the KNF and the Financial Ombudsman in 2017 increased by 66 and 56 percent, respectively, as compared to 2016.

In total, the authorised bodies issued decisions in 10,405 cases in 2017. At UKE, for example, 45 percent proceedings in the field of telecommunications ended in favor of the consumer, 23 percent - in favor of the undertaking, and the rest - in other way (refusal to consider the dispute, incomplete motion etc.). Most bodies do not monitor whether the parties have complied with the resolution.

On average, the amicable proceedings lasted 74 days. Those conducted by the President of UKE were shortest (32 days on average), and those conducted by the Financial Ombudsman - the longest ones (240 days on average).

**Appeal to undertakings**

Amicable proceedings are voluntary, which means that both parties must agree to participate. Many undertakings still have little knowledge of the ADR system; they are not aware of its benefits and, as a result, are reluctant to use it.

“*Participation in amicable proceedings is one of the main principles of the corporate social responsibility”,* emphasizes Dorota Karczewska, vice-president of UOKiK. “*The undertaking’s decision to use the out-of-court dispute resolution mechanisms may be of great importance for their commercial activities. It creates an opportunity to solve problems without deepening conflicts with clients. It also helps to build the company’s reputation.”*

UOKiK appreciates undertakings who try to resolve disputes in an amicable way. Together with the Senate Team for Consumer Protection, it established the *Amicus Consumentium* title that is awarded to companies promoting this idea. [In 2017, it was received by](https://www.uokik.gov.pl/news.php?news_id=14150&news_page=4): CCC, POLO Bogusław Szczepiński and PSS „Społem” from Katowice.

**\* Where to apply when you want to resolve a dispute amicably?**

* **Trade Inspection** - disputes related to the sale of goods and services,
* **Financial Ombudsman -** financial and insurance disputes,
* **Arbitration Court at the Polish Financial Supervision Authority** - financial disputes,
* **Banking Arbitrator at the Polish Bank Association -** only disputes with banks,
* **President of the Office of Electronic Communications** - disputes on telecommunications and postal services,
* **Negotiation Coordinator by the President of the Polish Energy Regulatory Office** - disputes with electricity, gas and heating suppliers,
* **Rail Passenger Rights Ombudsman by the President of the Office of Rail Transport** - disputes with railway operators,
* **Air Passenger Watchdog “Friendly Flying”** - disputes with airlines,
* **Chamber of Digital Economy (IGE)** - disputes with the Chamber members regarding the sale of goods and services via the Internet (IGE became the authorised body a few months ago, so it did not have to publish a report for 2017).

If you are involved in a dispute on a product or service purchased online, you can also submit an e-application on [ODR (On-line Dispute Resolution)](https://ec.europa.eu/consumers/odr/main/?event=main.home2.show) platform. This website - run by the European Commission - is available also in Polish. It’s particularly useful in the case of disputes with undertakings from other EU countries.

The EC wants to encourage the authorised bodies and undertakings to actively use the ADR system. Therefore, it has prepared a [funding program](https://ec.europa.eu/inea/en/connecting-europe-facility/cef-telecom/apply-funding/2018-cef-telecom-call-odr) for IT tools compatible with the ODR platform. It allocated a total of EUR 400,000 to this program. Applications for support covering up to 75 percent investments can be submitted until 22 November 2018.

**Additional information for the consumers:**

Contact Point at UOKiK (information on the ADR system, help in fulfilling the motions)
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