



## CONSUMER REDRESS – United Kingdom

### 1. Alternative Dispute Resolution (ADR)

There are 43 public and private ADR schemes in the UK. They are mainly sector-specific ADR (e.g. the Financial Ombudsman, the Office of the Telecommunication Ombudsman or the Energy Ombudsman). Gaps have been identified in particular in the transport sector.

The public Financial Ombudsman Service handled more than 160,000 cases in 2009.

Most cases are solved within 31-90 days.



In 2007, npower, a UK power gas company, did not communicate effectively a change in its charges for gas units. Consumer Focus, following an investigation of the Authority regulating the electricity and gas markets, entered into negotiations with npower aiming at reimbursing customers who paid extra charges<sup>1</sup>.

### 2. Court proceedings for small claims

A small claims procedure for claims under GBP 5.000 (approx. €7.316) and GBP 1000 (approx. €1500) for personal injury claims and disrepair claims is available in the UK. The average duration is 53 weeks. In-court mediation is optional.

Regulation n° 861/2007 establishing a European Small Claims Procedure<sup>2</sup> provides a simplified court procedure for cross-border claims under €2.000. The competent authorities to hear small claims in England and Wales, in Scotland, in Northern Ireland and in Gibraltar are respectively the County Court and the High Court of Justice, the sheriff court, the small claims court and the Master of the Supreme Court of Gibraltar.

### 3. Injunctions – Directive n° 98/27/EC on injunctions for the protection of consumers' interests<sup>3</sup>

In the UK, the Office of Fair Trading and qualified consumer associations can seek injunctions before the court in order to stop an illegal practice against a trader. Prior consultation with businesses before seeking an injunction is mandatory. The court may order the publication of the judgement at the expense of the losing party.

The Office of Fair Trading has sought cross-border injunctions before Belgian and Dutch courts.<sup>4</sup>

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<sup>1</sup> Consumer Focus, News & Press, Millions in npower customer refunds are welcomed by watchdog <http://www.consumerfocus.org.uk/news/millions-in-npower-customer-refunds-are-welcomed-by-consumer-watchdog>

<sup>2</sup> Regulation No 861/2007/EC of the European Parliament and of the Council of 11 July 2007 establishing a European Small Claims Procedure, OJ L 199, 31 July 2007, p 1-22

<sup>3</sup> Directive No 98/27/EC of the European Parliament and of the Council of 19 May 1998 on injunctions for the protection of consumers' interests, OJ L 166, 11 June 1998, p 51-55.

<sup>4</sup> European Justice Forum, <http://europeanjusticeforum.org/faq/cases/decisions-of-national-courts-and-authorities.html>

#### **4. Compensatory collective redress:**

The United Kingdom has three collective redress mechanisms, one for competition cases only and two more general ones, namely:

- Group Litigation Orders (GLO) allow the court or individuals themselves to group together similar individual cases for harm suffered.
- In cases where more than one person has the same interest, a mechanism through which a claim can be brought by one (or several) of these persons acting as a representative. The notion of "same interest" is interpreted quite restrictively.