

**Sweden:**

The limited impact of class actions, the extensive use of the ARN and ADR system

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# Sweden

Class action

Consumer ADR

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# Swedish class action

- The Class Action Act (SFS 2002:599) entered into force on 1 January 2003
- Types of class action:
  - a) private
  - b) organisational
  - c) public
- The individual group members are not considered parties and do not participate actively, but the whole group is nevertheless legally bound by the judgment



# Swedish class action

- Strong criticism against class action before the introduction of the new act
  - No practical need in Sweden
  - "Legal blackmail" risks
  - Time-consuming and demanding on public courts
  - May deter foreign investments and incite "forum shopping"
  - Individual circumstances need to be taken into account in each case



# Swedish class action

- Class actions in Sweden so far
  - The preparatory works estimated 20 collective redress cases per year
  - Today, ten years later, only 12-15 class actions have reached courts
  - Most have been dismissed or settled/withdrawn, and some more claims have likely been settled/withdrawn before even getting to the courts

# Swedish class action

- Very few cases have led to material judgements
  - Class action against the Swedish University of agricultural sciences regarding gender discrimination, by 44 women
  - Class action against the Swedish State regarding customs seizure of privately imported alcoholic beverages, by 97 persons
- Only few cases are currently active
  - Class action against an electricity supplier initiated in 2004, by the Consumer Ombudsman
  - Class action against the aviation authority initiated in 2006, by residents near Stockholm's main airport
  - The "Acta group proceedings" are no class actions, but consist of hundreds of individual cases handled jointly
- Most of the class actions in Sweden so far have targeted the Swedish State as defendant and have not been consumer oriented, which was probably not expected by the legislator

# Swedish class action

- Some examples of other contemplated class actions discussed in the media
  - Graffiti vandals requesting class action against a listed security company for breaches of the Swedish Personal Data Act
  - Football hooligans considering class action against Danish(!) police for bad treatment
  - Prison inmates considering class action against the Swedish State for bad treatment
- Perhaps not the type of class actions envisioned by the legislator...?





# Sweden

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# Swedish consumer ADR

- A substantial number of extrajudicial ADR instances supplement the Swedish courts in consumer disputes:
  - The Swedish National Board for Consumer Complaints (the “ARN”) (Sw. *Allmänna reklamationsnämnden*) is the most important ADR entity
  - In addition, there are more than 52 private self-regulatory ombudsmen and boards
  - Several thousands of cases are solved each year by these ADR instances!

# Conclusions



- The introduction of class action has not been a success in Sweden
- The existing ARN and ADR system offers well-functioning and accessible alternatives for consumer disputes

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