



**THE HIDDEN WORLD OF CONSUMER
ADR:
REDRESS and BEHAVIOUR**

**Friday 28th October 2011
Ship Street Centre, Jesus College**

Swiss Re



The Foundation for Law, Justice and Society
Bridging the gap between academia and policymakers



*Claim data: Some examples of
ADR systems in the EU*

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Numbers of claims, cost and duration of ADR systems – some examples

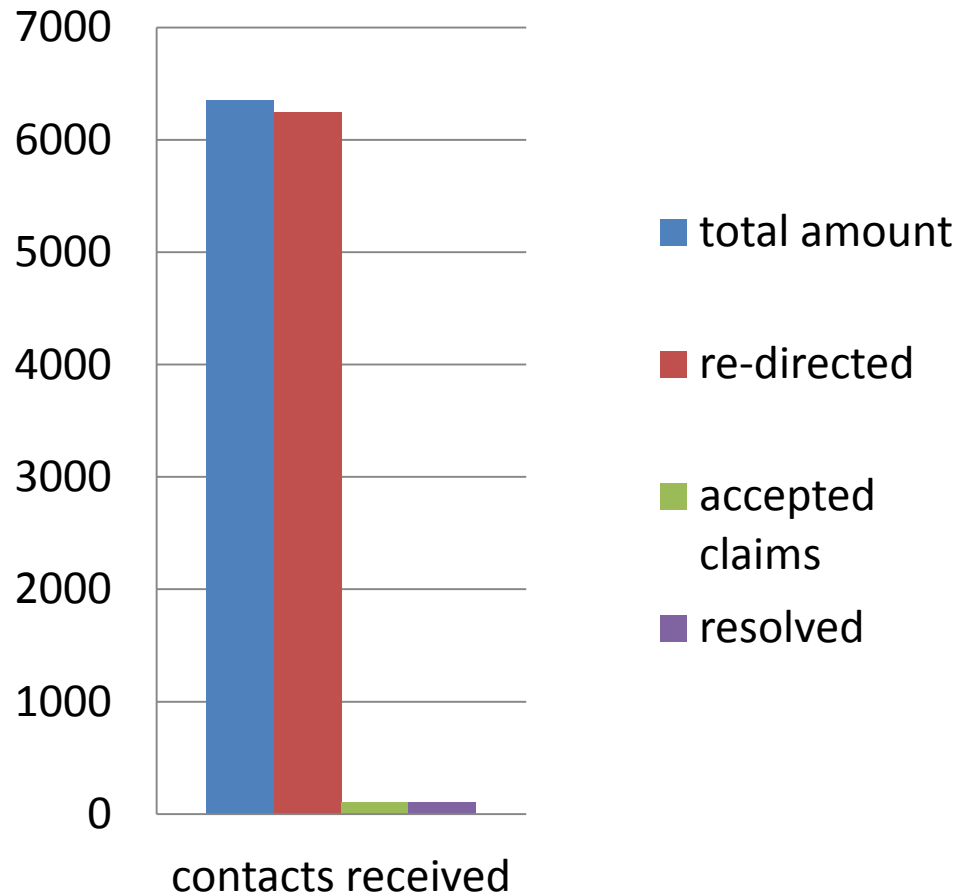
- representative sectors in FR / G / UK
- Many similarities in the basic approach of ADR schemes
 - consumer has to make contact with the company before approaching the ombudsman/mediator
 - Letter, fax, email, online form
 - Most schemes are free for the consumer
- Transparency / independence /funding
- Telephone help-lines / Customer services: cost
- Terminology '*resolved complaints*'
- Details of the sector – national context

France

- GDF SUEZ [in-house Mediator]
- National Energy Mediator
- Telecoms Mediator
- Financial market and Insurance Mediators

France – GDF SUEZ since 2008

2010 complaints data



Cost

- free to consumers
- Operational costs €1- 2 million p/a

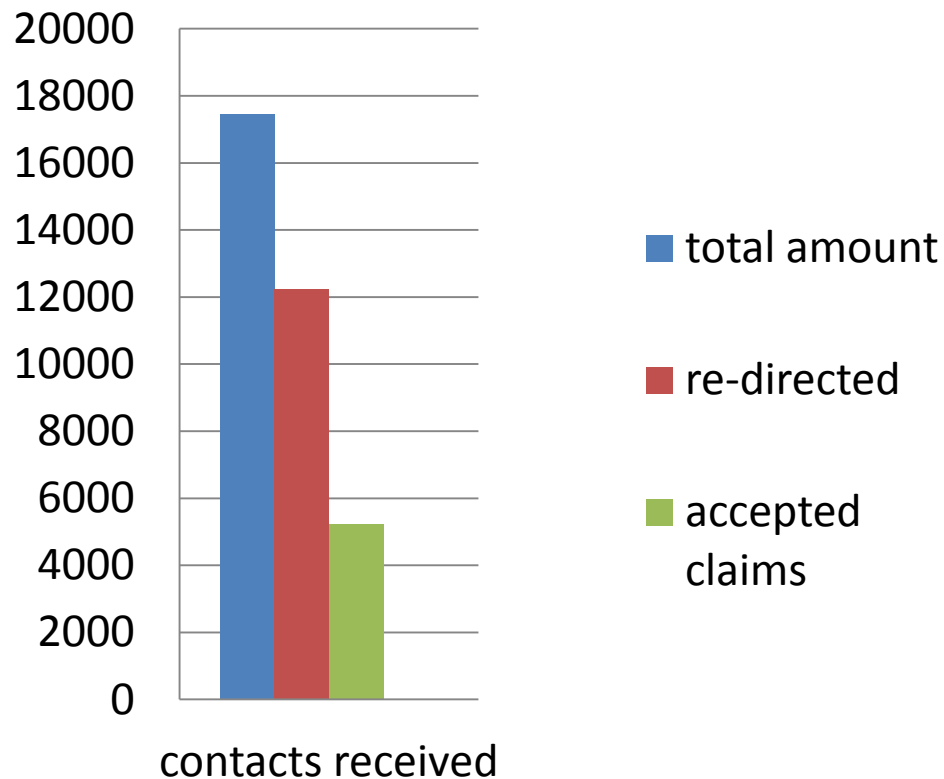
Duration

2 months to resolve complaint (average)

France - Médiateur national de l'énergie

since 2006

2010 complaints data



Cost

- free to consumers
- Ombudsman budget €6.7m p/a
- funded by a levy on every electricity bill: €3 bn p/a

Duration

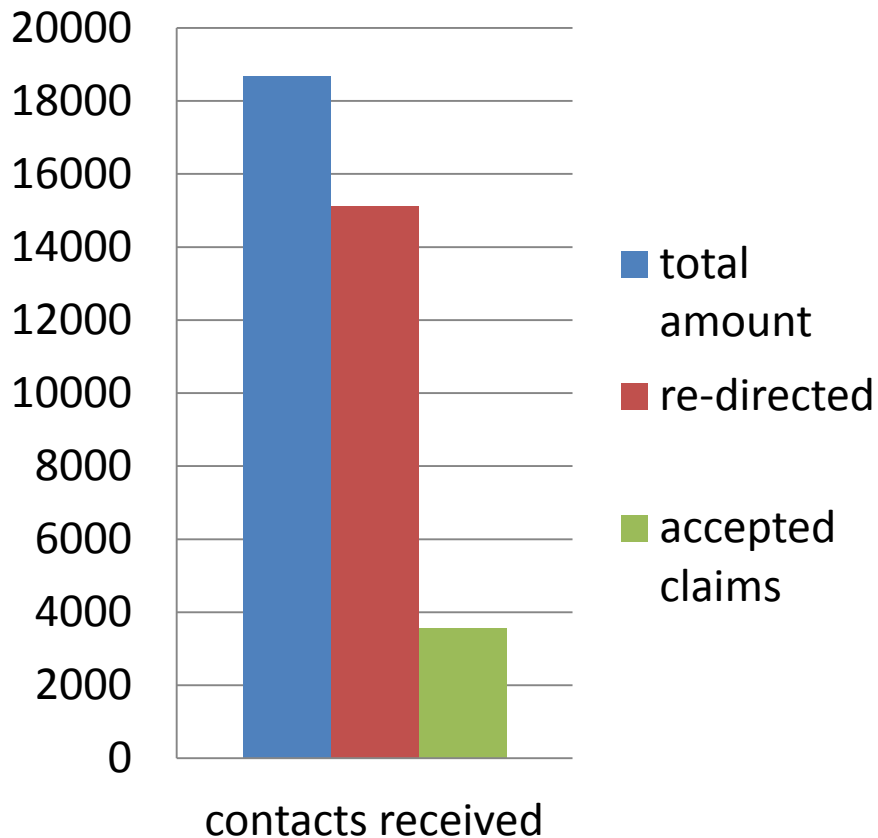
6 months to resolve complaint (average)

France

Mediateur des communications électroniques

since 2003

2010 complaints data



Cost

- Free to consumers
- operational cost €1.5m p/a
- Only accept online claims
- operators fund the scheme

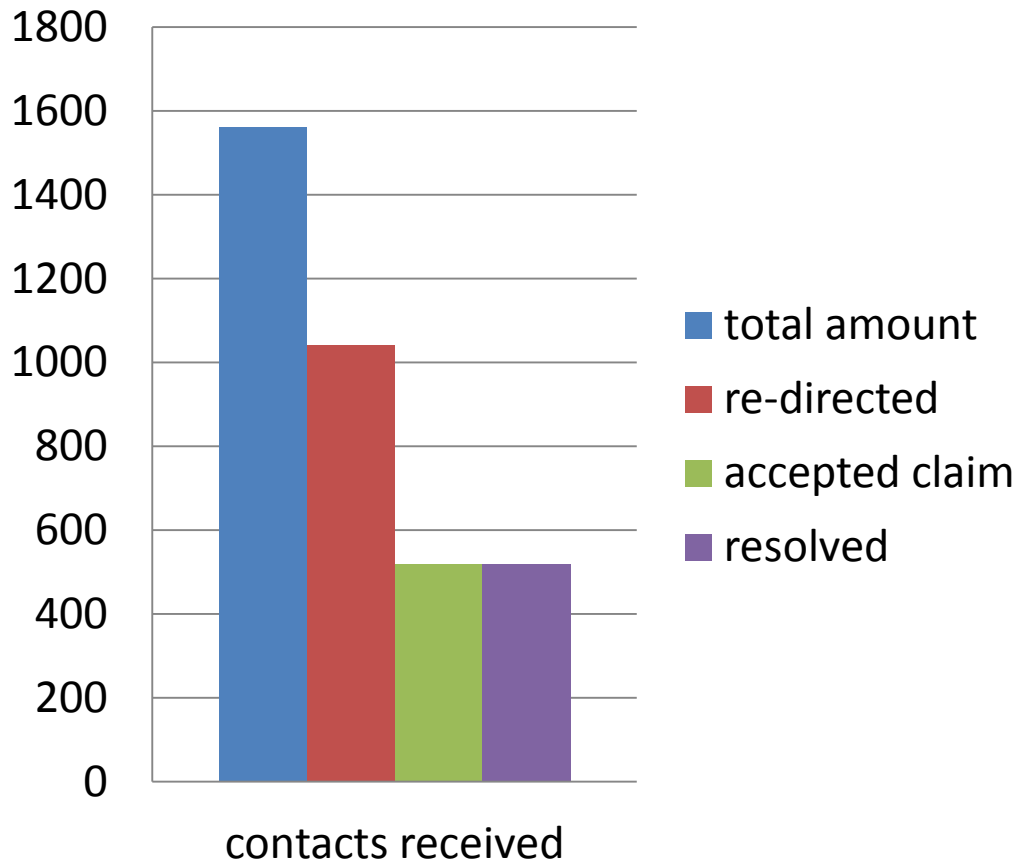
Duration

3 months

France - l'Autorité des marchés financiers

since 2003

2010 complaints data



Of 1561 queries received;
1041 enquiries and 520
mediation requests in
2010

Cost

- free to consumer

Duration

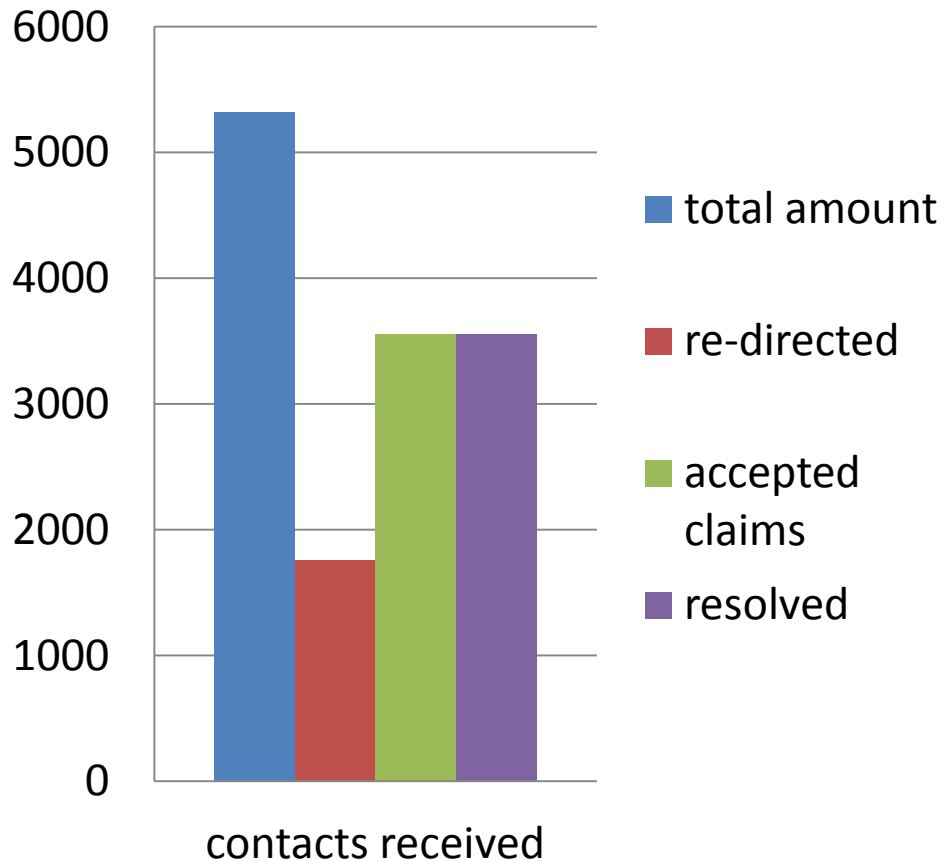
75% of cases closed
within 6 months

France

Fédération Française des Sociétés d'Assurance

since 1993

2010 complaints data



Cost

•free

Duration

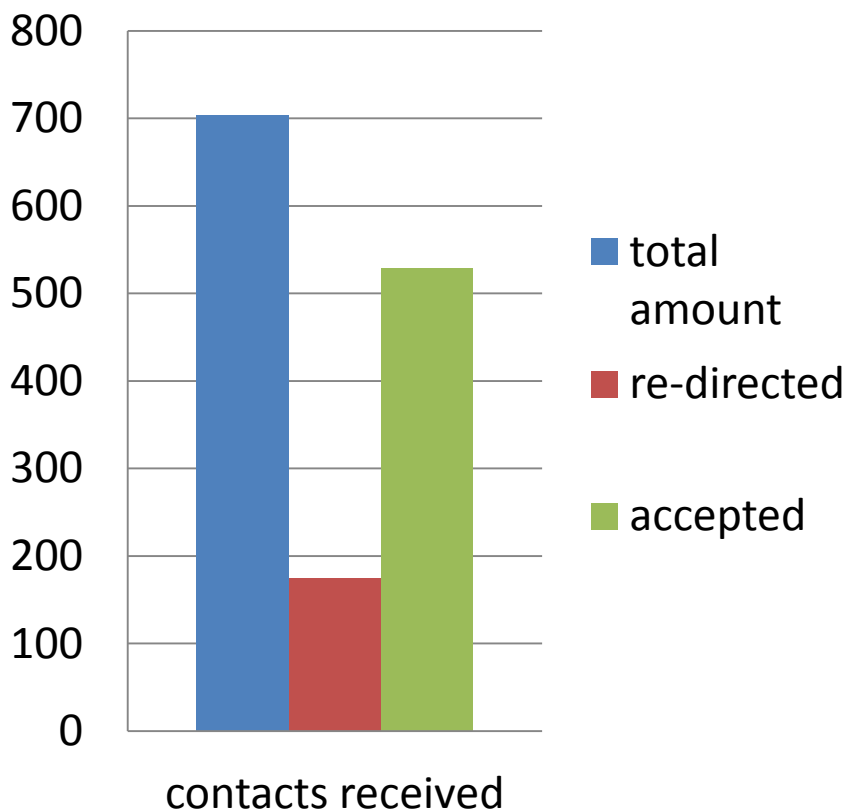
Aim is 3 months but longer in reality

Germany

- BnetzA Telecom
- Insurance Ombudsman
- Ombudsman for private commercial banks
- Conciliation scheme for medical liability

Germany – Bundesnetzagentur Telecom conciliation scheme since 1999

2010 complaints data



- 69.886 BnetzA complaints
 - 54.880 Telekom complaints

- The conciliation scheme Telecom received **703** claims

- Cases resolved :
 - 9% withdrawn cases
 - 46% rejected not complying with the TKG

Cost

There is a cost for both parties

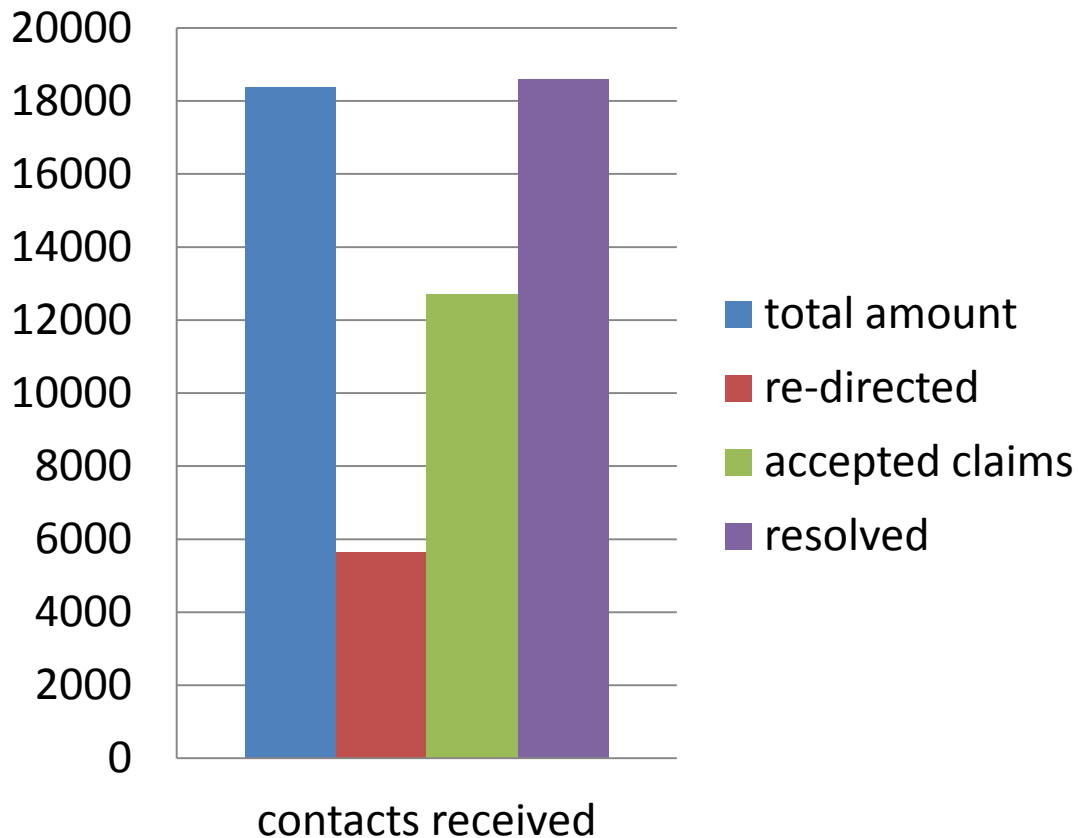
Duration

About 4 months

Germany

Ombudsmann für Versicherungen since 2001

2010 complaints data



Cost

- Free
- operational cost €3.1m p/a

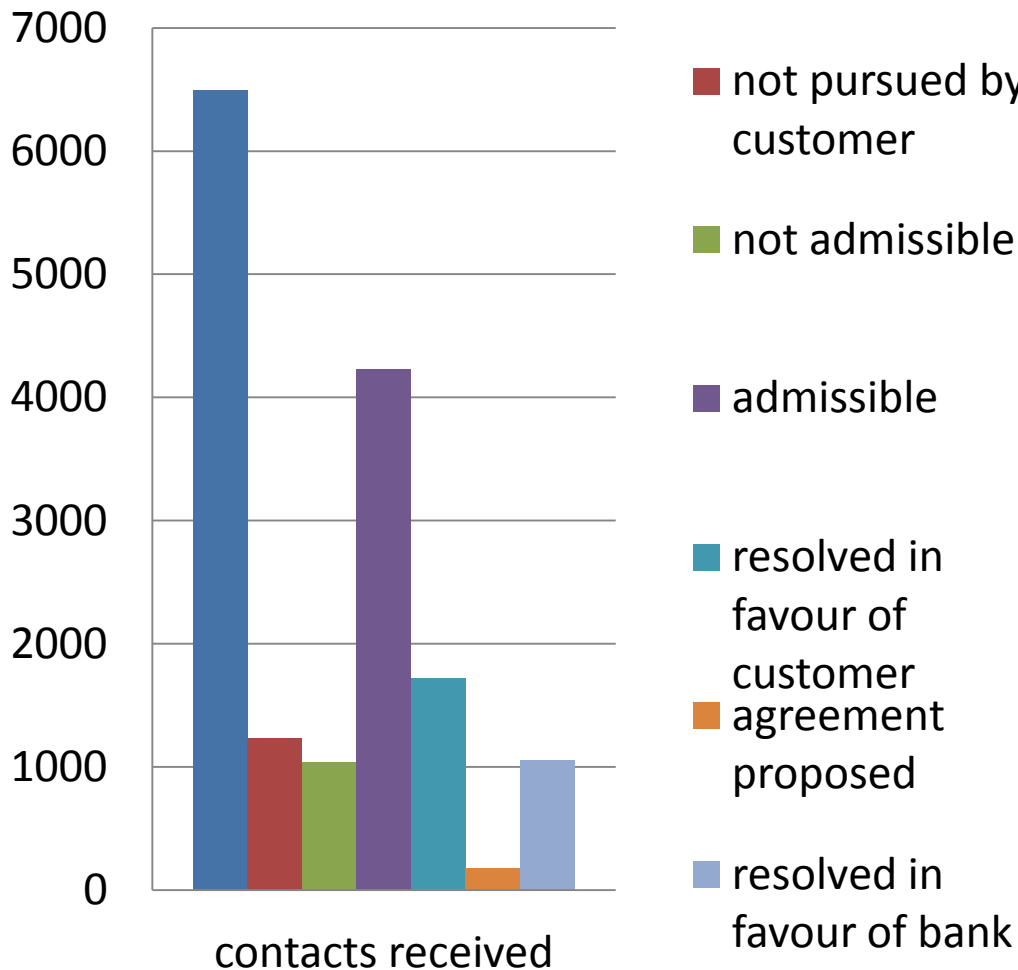
Duration

Average of 4.1 months

Germany

Ombudsman Bundesverband deutscher Banken since 1992

2010 complaints data



Costs

- Free for consumer
- bank association bears costs

Duration

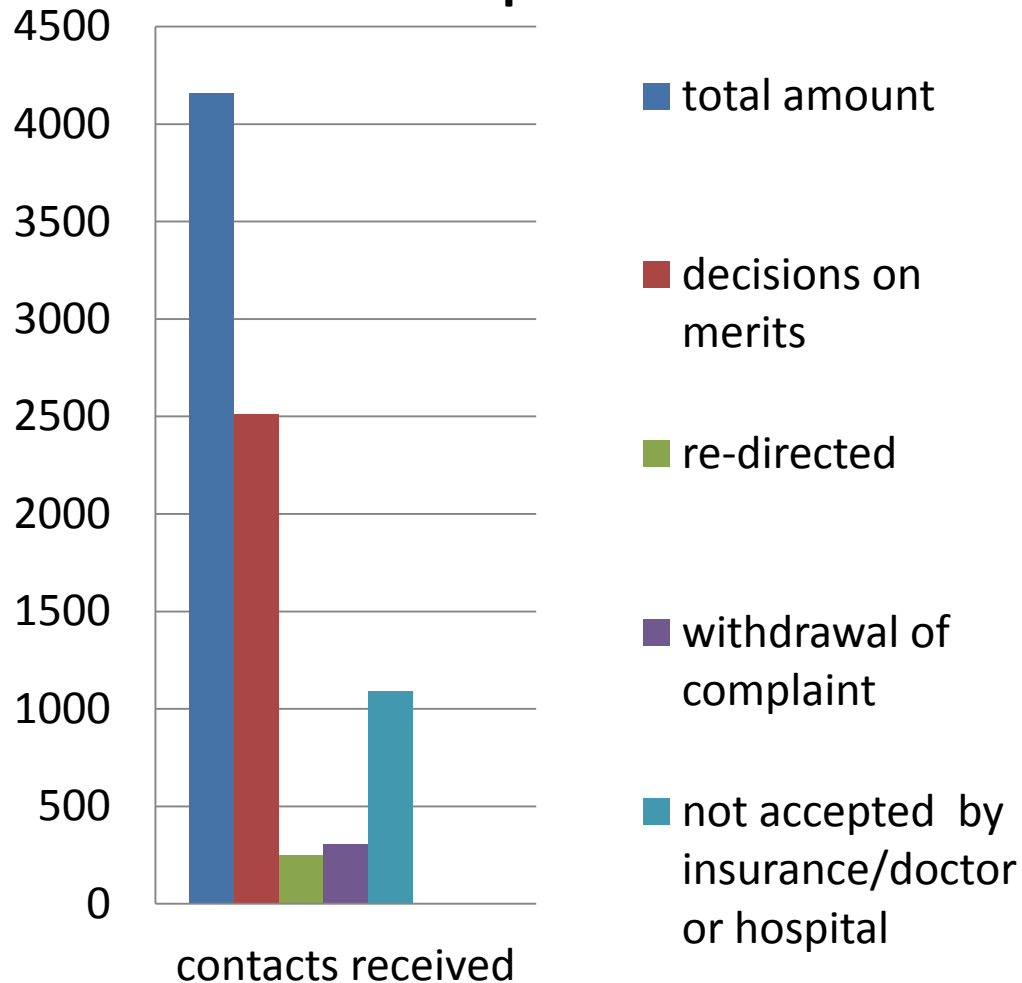
- No data available

Germany

Schlichtungsstelle für Arzthaftpflichtfragen der Norddeutschen Ärztekammern

since 1976

2010 complaints data



Costs

- The scheme is free for patients and doctors
- insurance companies bear the cost
- operational cost €4.1m p/a paid by 9 medical chambers

- Data gathering system developed [*medical error reporting system*] 'MERS'

Duration

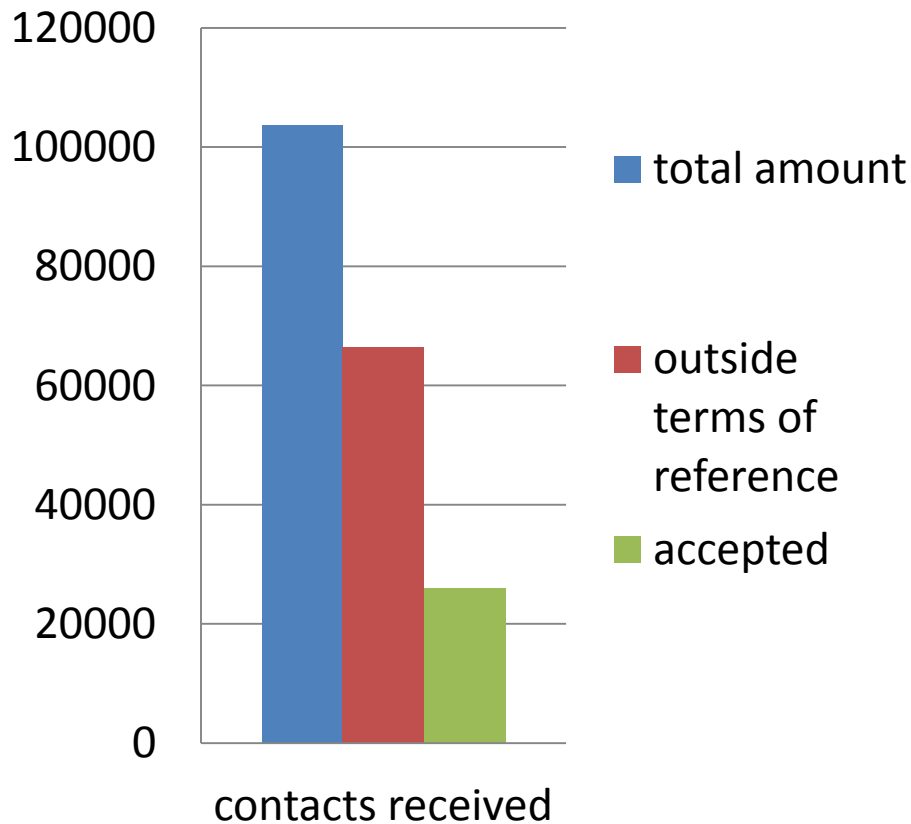
14 months

United Kingdom

- Ombudsman Services: Communications
- Financial Ombudsman Service
- Boots

UK – Ombudsman Services: Communications since 2003 [Otelco]

2010 data



•71% Formally resolved complaints

•29% Informally resolved complaints

Cost

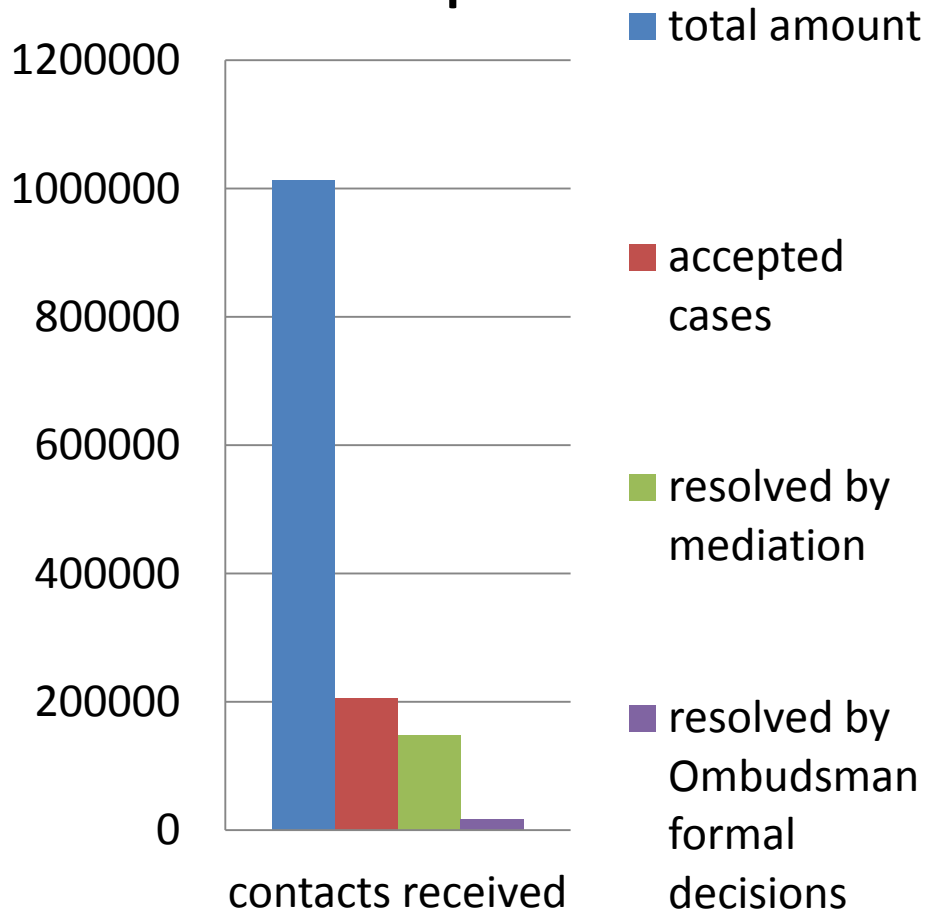
•Free for consumer

Duration

Six months or less

UK – FOS since 2001

2010 complaints data



Cost

- Free to consumers
- The budget 09/10 was £92m
- FOS funded by compulsory levies on businesses under the scheme, and case fees

Duration

Average of 10 weeks

UK – Boots

- The Customer Care Team receives 53,000 contacts a week. 3.5 per cent of those are complaints, of which a very small percentage are classified as serious.
- Statistics are not kept on issues that are resolved at store level.
- The Team gives 26,000 customer responses a week.
- Over 90 per cent of contacts are resolved by the person who answers the phone call

Conclusions

- Varying approaches
- Imbalance of claim capture
- Discrepancy between cases being formally resolved and re-directed
- Evolving ADR landscape