

National Conciliation Service Annual Activity Report 2015 – 2016

The National Conciliation Service (NCS) has been approved by the Chartered Trading Standards Institute (CTSI) as a Consumer Alternative Dispute Resolution (ADR) body, as defined under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015

Schedule 5 of the regulations require ADR entities to publish a yearly activity report. The following information is in accordance with these requirements and cover the period 1st October 2015 to 30th September 2016

The NCS deal with disputes within the retail motor sector concerning contractual obligations in sales contracts and service contracts where one party is a consumer resident in the EU, and the other party is a trader established in the EU, although the vast majority of disputes we deal with are UK based

During the period 1st October 2015 to 1st October 2016, the NCS dealt with 827 domestic disputes and no cross-border disputes

The disputes dealt with during this period covered a wide range of complaints. However, by far the main areas of consumer complaint related to *Vehicle Repair* at 23.3% and the *Sale of Second Hand Vehicles* 22.7%, and although complaints relating to the *Rejection of a Vehicle* were only at 6.3%, this appears to be increasing, as do most other areas of complaint. We believe this is probably due to recent changes in consumer legislation, most notably the Consumer Rights Act 2015

Although the Consumers Right Act 2015 has in the main been beneficial to consumers and traders in clarifying many areas of consumer law, we believe more clarification and guidance to both consumers and traders is needed regarding *section 20* of the act '*Right to reject*', specifically in relation to new and used motor vehicles

The NCS has not refused to deal with any dispute that met with our operational criteria and authorisation, and none have been discontinued due to operational reasons. A total of 26 cases were referred to more appropriate providers of ADR

We believe the rate of compliance in relation to *non-binding* disputes to be very high although we have no specific data. The rate of compliance on cases that are *binding* we believe to be 100%

The average time to resolve a dispute is within 60 days of receiving the *complete* file on the case

We have commenced informal discussion with both the Financial Ombudsman Service, the Financial Conduct Authority and the Competition & Markets Authority about concerns regarding the selling of warranty products which are sold as '*obligor*' products

We have also cooperated with ADICAE in Spain in relation to Spain implementing the EU ADR Directive, and will attend their second forum on the implementation of ADR to be held in Madrid on the 3rd of November 2016

An independent review and audit of our first year of operation under the 2015 ADR regulations has also been carried out by the Chairman in our Independent Compliance Panel (ICP) Mr Jim Appleton. This is separate and in addition to the independent yearly audit carried out on behalf of the CTSI.

Mr Appleton found that the NCS had complied fully with the legislation, and his review of actual case files found them to have been dealt with *professionally* in a *fair, open, thorough* and *impartial* manner. A copy of Mr Appleton's report is available on request

National Conciliation Service - October 2016

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