



Good for consumers – Good for business

# **Terms of Reference Annex: The Consumer Ombudsman**

## 1. Preamble

- 1.1 Ombudsman Services: The Consumer Ombudsman is an Alternative Dispute Resolution (“ADR”) procedure. It is operated by the Ombudsman Service Ltd in its capacity as an accredited ADR entity under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (“the Regulations”).
- 1.2 The ADR procedure offered is a summary investigation procedure under which consumers may submit a complaint for consideration by Ombudsman Services: The Consumer Ombudsman about any goods and services that they have bought or have sought to buy. The Ombudsman will investigate the complaint and offer a final decision, as provided for under the Terms of Reference.
- 1.3 The procedure is intended to encourage traders to allow their customers to access independent ADR in circumstances where the trader is not obliged to do so under an enactment or under the rules of a trade association.

## 2. Interpretation

- 2.1 The definitions, below, apply to both this Annex and the Terms of Reference in relation to complaints brought to Ombudsman Services: The Consumer Ombudsman against Participating Companies:

**“Award”** means the compensation awarded to the Complainant not exceeding £25,000 (inclusive of VAT, if any) per complaint;

**“The Consumer Ombudsman”** is operated by the Ombudsman Service Ltd under the approval of the Chartered Trading Standards Institute (CTSI), whose approval covers all areas of consumer detriment to meet the requirements of BIS (now BIES) to have a residual body in order for the UK to be compliant with the EU Alternative Dispute Resolution for Consumer Disputes Regulations 2015.

**“Customer”** means a consumer who is acting for purposes which are wholly or mainly outside of their trade, business, craft or profession, and who has entered into, or has sought to enter into, a sales contract and/or services contract in order to receive goods and/or services;

**“Participating Company”** is as defined in the Terms of Reference;

**“the Regulations”** means the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015;

**“Trader”** means a person or entity acting for purposes relating to a trade, business, craft or profession, and who has entered into, or has sought to enter into, a sales contract and/or services contract in order to provide goods and/or services.

### **3. Eligibility to become a Participating Company of The Consumer Ombudsman**

3.1 Any trader, as the Ombudsman deems appropriate, may participate in The Consumer Ombudsman and shall be deemed a Participating Company for the purposes of investigating any complaints that they have agreed to allow The Consumer Ombudsman to investigate.

3.2 In determining whether to allow a trader to become a Participating Company, the Ombudsman shall adhere to the obligations imposed upon him or her to deal with disputes when he or she is competent to do so, as set out within the Regulations.

### **4. Goods and Services**

4.1 Complaints about the provision of any goods and services traded by a Participating Company shall, with the agreement of the trader in issue, fall within the jurisdiction of The Consumer Ombudsman procedure.

### **5. Jurisdiction**

5.1 Further to, and in addition to, the provisions of the Terms of Reference, the Ombudsman shall only have jurisdiction in relation to a complaint if;

(a) the person making the complaint;

(i) was, at the time the subject matter of the complaint arose, a customer, as defined in this Annex, of a trader; or

(ii) is acting on behalf, and with the consent, of any such customer; and

(b) the trader who is the subject of the complaint;

(i) is a Participating Company of The Consumer Ombudsman; or

(ii) has become a Participating Company of The Consumer Ombudsman in order to enable it to handle the complaint.

## **6. Acceptance of a complaint**

6.1 At paragraph 6.2 (b)(ii) of the Terms of Reference, substitute “eight weeks” for “28 days” for complaints that fall under the jurisdiction of The Consumer Ombudsman.

**21 November 2016**