

Qualitative Study



European  
Commission



EUROBAROMETER

CONSUMER REDRESS IN THE  
EUROPEAN UNION:  
CONSUMER EXPERIENCES,  
PERCEPTIONS AND CHOICES

AGGREGATED REPORT  
AUGUST 2009

## TABLE OF CONTENTS

Country abbreviations and notes to the reader	3
1. Executive Summary	4
2. Background and research design	13
3. Key learnings	18
4. Unsatisfactory purchase experiences, consumers' national and cross-border case studies	20
4.1. Circumstances leading to dissatisfaction with purchases or services	20
4.2. Reactions to unsatisfactory purchase experiences	22
4.3. Drivers of and barriers to complaining to suppliers	24
4.3.1. Drivers of complaining to suppliers	24
4.3.2. Barriers to complaining to suppliers	28
4.3.3. Evaluation and outcome of the process of complaining to a supplier	31
4.4. Drivers and barriers in taking the complaint further after a negative result from addressing the supplier	33
4.4.1. Drivers in taking the complaint further	33
4.4.2. Barriers to taking the complaint further	37
5. Seeking consumer redress – the consumers experience with the different redress mechanisms	39
5.1. Initial investigative process	39
5.2. Experience of redress mechanisms	40
5.2.1. Individual Court Action	40
5.2.2. Public Authorities	42
5.2.3. Consumer Organisations	45
5.2.4. Alternative Dispute Resolution (ADR)	46
5.2.5. Collective Alternative Dispute Resolution (CADR)	48

5.2.6. Collective Court Action	49
5.3. Post experience reactions	50
5.4. Cross-border and on-line experiences	50
6. Discussing the concept of ‘Consumer Redress’ in detail: the consumers’ perspective	53
6.1. General awareness of rights and redress	53
6.2. Perceptions of redress mechanisms and processes	54
6.3. Desirable characteristics of redress mechanisms	56
6.4. Initial reactions to specific redress mechanisms	57
6.5. Language and associations	58
7. Discussing different redress mechanisms in the European Union	61
7.1. Overall insights by consumer type and Member State	61
7.1.1. Differences by consumer type and Member State	64
7.2. Alternative Dispute Resolution (ADR)	65
7.3. Collective Alternative Dispute Resolution (CADR)	69
7.4. Requesting a Consumer Organisation to take action	70
7.5. Possibility of Complaining to a Public Authority	72
7.6. Individual Court Proceeding	74
7.7. Small Claims Procedure	75
7.8. Collective Court Action	77
8. Testing two hypothetical scenarios of collective consumer redress – consumers’ views and reactions	79
8.1. Key insights	79
8.2. Small value claim	80
8.2.1. Initial reactions	80
8.2.2. Choice of redress mechanism	81
8.3. High value claim	85
8.3.1. Initial reactions	85
8.3.2. Choice of redress mechanism	85
9. Conclusions	90
Appendices	94
1. Discussion guides used for the interviews	
2. Show cards for consumer redress mechanisms	
3. Show Cards for case scenarios	

**Country abbreviations:**

1. Austria	AT
2. Belgium	BE
3. Bulgaria	BG
4. Cyprus	CY
5. Czech Republic	CZ
6. Denmark	DK
7. Estonia	EE
8. Finland	FI
9. France	FR
10. Germany	DE
11. Greece	EL
12. Hungary	HU
13. Ireland	IE
14. Italy	IT
15. Latvia	LV
16. Lithuania	LT
17. Luxembourg	LU
18. Malta	MT
19. The Netherlands	NL
20. Poland	PL
21. Portugal	PT
22. Romania	RO
23. Slovakia	SK
24. Slovenia	SI
25. Spain	ES
26. Sweden	SE
27. The United Kingdom	UK

**Notes to the reader:**

- Verbatim consumer comments are indicated by "" and in *italics*.
- Where each of the seven redress mechanisms discussed as part of the research programme are referred to, the references are in **Bold** to be easily identifiable.

## 1. Executive Summary

### *Background and research design*

As part of the qualitative Eurobarometer framework contract, TNSqual+ conducted research into consumer redress issues amongst specific target consumers in all 27 EU Member States. During April and May 2009, ten qualitative in-depth interviews were conducted in each Member State amongst specific target consumers with varying levels of complaints and redress experience.

The objectives of the research were to:

- Discuss consumers' actual experiences with redress mechanisms they have already used
- Explore levels of consumer knowledge and awareness as well as perceptions around various aspects of consumer redress and redress mechanisms
- Investigate drivers and barriers to seeking redress from the consumers' perspective

The participants for the study were recruited specifically on the basis of their experiences around complaints and redress mechanisms. The findings are based on the experiences of these individuals and, as with all qualitative studies, care needs to be taken when extrapolating the findings from this study to the wider population; the aim is, rather, to provide in-depth insights and trends from the surveyed consumers across all 27 Member States.

Respondents were selected to represent two broad groups:

- 'Inexperienced' consumers, who, following an unsatisfactory purchase had either not made any complaint or had not proceeded beyond receiving an unsatisfactory response from the supplier (i.e. inexperienced in terms of consumer redress)
- 'Experienced' consumers who had chosen to seek redress either through an **Individual Court Procedure**, an **Alternative Dispute Resolution (ADR)** mechanism or via **Collective Redress**.

The key findings from the research are summarised below. Where substantive differences were encountered in the views expressed by consumers from different Member States or with different types of experience, these have been indicated.

### ***Why consumers initially complain to suppliers***

The circumstances in which consumers are likely to complain about a product or service fall into three broad categories:

- If a product or service delivery does not meet **basic quality standards** or a widely accepted industry standard
- If a product or service does not meet **specific agreed standards**
- The **'fraudulent' behaviour** of a supplier or service provider

These situations appear to arise across a wide range of product and service categories. The examples discussed by consumers as part of this study included (ranked by the number of cases covered in the research):

- Retail (clothing; hi-fi; white<sup>1</sup> and grey goods<sup>2</sup>)
- Travel
- Telecoms and internet
- Financial services (banking and insurance)
- Consumables
- Automotive
- Construction
- Home décor/refurbishing
- Real estate (rental or purchase of house or flat)
- Energy suppliers
- Postal/logistic services

Irrespective of the category involved, a number of factors influence whether or not consumers actually complain when they have purchased faulty goods or services. These factors are (ranked by relative order of importance in driving the decision to complain):

---

<sup>1</sup> The term 'white goods' refers to domestic electrical appliances

<sup>2</sup> The term 'grey goods' refers to products sold outside normal distribution channels by companies which may have no relationship with the producer of the goods

- the **cost involved** in the product or service which can include the direct cost of the item as well as any indirect costs involved in sourcing the product or service,
- the **impact the defective product** or service had or could have had on the consumer,
- the **underlying rationale** for which the consumer purchased the product or service,
- the **time invested** in seeking out the product or service,
- the **nature** of the purchase or service,
- the **impact the loss** of the product or service will have, and
- the **expected response** from the supplier / service provider on addressing the consumer's issues relating to the product or service in question.

The final factor which needs to be considered is that of the **individual consumer's confidence**. Some consumers see themselves as 'the sort of people who complain' whilst others are either less confident or feel less strongly about issues of this sort.

### ***Why consumers take their complaints further than the supplier***

As well as the practical inconvenience associated with unsatisfactory purchase experiences there is often a **significant emotional component**, especially where the purchase was one which had been planned for and anticipated or where there were significant additional implications of the fault, problem or failure. If a supplier's initial response to a complaint is felt to be unsatisfactory, consumers tend to find their initial feelings of disappointment turning to frustration, anger and affront. The presence and intensity of these emotions plays a key role in determining whether or not consumers seek further redress.

However, beyond the emotional dimension, the factors which influenced whether a consumer made an initial complaint are also those which influence his or her likelihood to take the matter further.

In both instances we found that consumers tend to make decisions to act or not based on a **trade off between the 'cost'** (in terms of time, trouble, stress and effort) of seeking redress **and the likely 'return'** (in terms of the benefit to them of a successful resolution). The extent to which this is a conscious, case by case decision varies between

individuals and between situations but it is rarely thought through in an explicit way.

The 'tipping point' at which something becomes sufficiently expensive to merit complaining to the supplier or seeking further redress varies. Consumers in Eastern European Member States generally indicate a lower price point as being 'worth' complaining about than consumers in Western European and Nordic Member States. In Eastern Europe, the tipping point for complaining to a supplier is typically around €20 and for seeking further redress if the supplier's response is unsatisfactory around €50. In Western Europe these figures are typically €50 (complaining to supplier) and €100 (seeking further redress.) These differences may well be attributable to the differences in wage levels, prices and the cost of living between Member States. However, there is also variation between individual consumers within Member States; there appear to be some individuals who are more temperamentally inclined to complain and seek redress than others.

As noted above, the perceived 'cost' vs. 'benefit' ratio is a key factor in determining why some consumers do not take their unresolved complaints further. However, there is another major barrier to seeking redress, cited by consumers across all Member States: a **lack of sufficient knowledge** of how to access or begin the redress process.

Both temperament and knowledge barriers can, to some degree, be overcome by hearing the experiences of friends, colleagues or family who have complained to suppliers and/or sought further redress.

Drawing all these threads together we can summarise the factors which determine both whether a consumer initially complains to a supplier and whether he or she seeks further redress, following an unsatisfactory response from the supplier, as:

- Economic investment (price);
- Emotional investment (joy, expectations, anticipation);
- Level of consumer confidence/personality and/or local culture (in regard to complaining or knowledge of consumer protection and redress rights)



Overlaying these factors in some Member States (particularly Eastern European Member States) is a strongly held consumer view that complaining is *“a matter of principle”* (particularly in cases where one’s health has been jeopardised or where a particular redress mechanism is felt to be very effective) or *“it is my right”*.

### ***Awareness of consumer rights and consumer redress mechanisms***

Across the EU27 there is a **broad awareness of consumer rights** although the perceived extent of these rights tends to vary. In Eastern Europe consumers tend to have lower expectations of what their rights as consumers are than in the Western European Member States.

Consumers’ **knowledge about the existence of consumer protection or redress mechanisms** also **varies** across Member States. Higher levels were evident in the Nordic Member States as well as SK, BE, UK and NL, where consumers feel that, whilst they may not know the specific details of consumer protection or redress mechanisms, they are confident that they could find out sufficient relevant information. In many cases they cite the internet as the expected source of such information. Lower levels of knowledge and confidence are evident in most other Member States.

In markets where awareness of consumer rights and redress mechanisms is higher the **media** (including television, press and the internet) **is a key influence**. ‘Watchdog’ style television programmes focussing on consumer rights and the coverage in the news media of high profile redress cases both appear to drive increased general awareness.

**Awareness of the specific redress mechanisms** available and what they involve **is extremely limited**. Many consumers know that the courts offer a possible route but, beyond this, knowledge is very patchy. ‘Experienced’ consumers clearly had more knowledge about redress mechanisms than ‘inexperienced’ consumers. However their knowledge tended to be limited to the specific mechanism they had used and did not extend to the alternatives available.

Most consumers feel they **would not know how to initiate formal consumer redress processes**. Many are able to make tentative suggestions about where they might start (approaching some form of consumer body or involving a lawyer) but this tends to be based on supposition, rather than informed knowledge.

### *Experience of consumer redress mechanisms*

The majority of those consumers who had used one of the redress mechanisms available ('experienced' consumers) started the process by approaching either a **Consumer Organisation** or **Public Authority**. Others took their initial steps though talking to a lawyer. In most instances this initial approach involves seeking help and advice, rather than immediate action to further the redress process.

Those who had proceeded to use the various mechanisms available had mixed views on the experience. In general, if the desired outcome is achieved (most often in the form of the consumer receiving a level of compensation they feel is appropriate) then consumers are satisfied. If the outcome is not what was expected or hoped for, consumers tend to express less positive views of the process. Mechanisms which took a long time or involved a lot of work for the consumer were also criticised.

Although experiences with **Consumer Organisations** and **Public Authorities** were generally good and they tend to be regarded positively, some consumers from Eastern European Member States have reservations about the efficiency and effectiveness of such bodies in their countries. **Individual court action** is valued because of the involvement of legal professionals and the binding nature of the outcome. Those with experience of **ADR** found it uncomplicated and transparent but levels of satisfaction with the ultimate outcome were mixed. Fewer had experience of **CADR** but those who had tended to be satisfied with both the process and outcome. Although experience of Collective Court Action was limited, consumers who used this mechanism perceived it positively. However, the respondents were not able to comment on the outcome of their cases, as they have not yet reached a conclusion

### *Perceptions of consumer redress mechanisms*

When presented with information about seven possible redress mechanisms, consumers tended to categorise them based on their apparent 'complexity'; the more serious or demanding the case, the more likely they would be to choose a more 'complex' mechanism (i.e. one involving formal court proceedings). For less serious cases (usually those involving lower value purchases or less personal inconvenience) the less complex 'softer' mechanisms would be preferred (i.e. ADR, CADR).

Looking at each of the seven mechanisms in turn:

**Individual Court Proceedings** was the most commonly recognised redress mechanism. Consumers tend to perceive court proceedings as producing 'legally binding' decisions and they see this as one of the key benefits of this mechanism. However, many consumers were also wary of this option since it is perceived to be expensive and time-consuming. As a result they would not envisage employing it in any but the most serious cases.

Many consumers are unfamiliar with the concept of **ADR**, but once they have understood the basic concept, they tend to find it an interesting and potentially attractive option. However, many felt they would need more information about how and when it can be employed before feeling confident that they would use it. The most frequently expressed concern was that using such a mechanism might be insufficiently binding on the supplier or result in a compromise, something consumers tended to find unattractive; they want 'full' compensation.

The two Collective Redress mechanisms covered in the study, **Collective ADR** and **Collective Court Action** were also appealing to the majority of consumers when they first considered them. The concept of shared costs, responsibility and effort made these seem very attractive, although there were numerous questions raised about the precise functioning of both mechanisms. The most frequent consumer comment related to the perceived difficulty of assembling a suitable group of co-complainants.

**Small Claims Procedure** is the least familiar of the mechanisms discussed and, whilst it was potentially of interest to some, its unfamiliarity and the consumers' lack of knowledge about it make conclusions difficult to draw.

As noted above, approaching a **consumer organisation** or **public authority** body would be the natural start point for many consumers. The awareness of the existence of such bodies is relatively high, a significant contributory factor to their being the obvious start point. However, many consumers would not know what to expect from such bodies other than advice on how to proceed.

### ***Selection of consumer redress mechanisms***

All of the redress mechanisms included within the study appeared to have **relevance and appeal** to consumers and there were instances in which consumers could envisage employing all of the various mechanisms discussed. It is clear that having such a wide range of mechanisms available is a **potential source of confusion** for consumers. This is a particular risk since knowledge about the subject is so limited. However, if basic levels of **information** and, ideally, **independent advice** were available, our findings suggest that most consumers would find it relatively easy to select an appropriate mechanism for their circumstances.

So, in the case of a hypothetical collective small claims example, having considered all the available redress options, the majority of consumers would like the claim to be fully handled by either a **Consumer Organisation** or **Public Authority**. If this is not possible, then they see **Collective ADR** as the preferable mechanism.

If considering a higher value hypothetical collective claim example, most consumers would opt for one of the collective redress mechanisms presented. **Collective Court Action** was favoured by the largest proportion of consumers but **Collective ADR** was also viewed as a credible and effective approach by many.

### ***Online and cross-border consumer rights and redress processes***

The research suggests that there is a very **low overall level of knowledge** about consumer protection for online and cross-border purchases. This is the case amongst consumers from all Member States.

When considering the possibility of seeking redress in a cross-border context the key perceived barrier, identified by the majority of consumers, was the **'language barrier'**. A number of concerns about how cross-border redress mechanisms might operate and how to access them, contributed to consumers feeling less comfortable about cross-border situations.

Very few respondents had direct experience of cross-border redress so these issues are largely perceptual rather than experience-based.

In terms of evaluating which redress mechanism may be applicable in the case of a cross-border purchase, most consumers were uncertain. The perceived complexities of a cross-border purchase led them to feel even less confident than they would in a purely domestic context.

## 2. Background and research design

As part of the qualitative Eurobarometer framework contract, research into consumer redress issues amongst specific target consumers in all 27 EU Member States was conducted. The study was commissioned by the Health & Consumer Protection Directorate General, under the framework contract of the Directorate-General for Communication, and carried out by TNS qual+.

The overarching objective of this research study is to explore levels of awareness and knowledge around various aspects of consumer redress and redress mechanisms as well as investigating drivers and barriers to complaining and / or seeking redress from the consumers' perspective. The findings further aim to highlight differences and similarities across the 27 EU Member States.

More specifically the research at hand sought to:

- Explore levels of consumers' awareness and knowledge as well as preferences for various redress mechanisms introduced during the interviews:
  1. Alternative Dispute Resolution (ADR);
  2. Requesting a Consumer Organisation to take action;
  3. Possibility of complaining to a Public Authority;
  4. Individual Court Proceeding;
  5. Small Claims Procedure;
  6. Collective Court/Judicial Action;
  7. Collective Alternative Dispute Resolution (CADR)
- Explore consumers' experiences with the redress mechanisms they had already used.
- Understand the conditions and circumstances in which specific mechanisms are considered suitable.
- Identify gaps in consumers' understanding and information regarding existing means of redress.

During April and May 2009, ten qualitative in-depth interviews were conducted in each of the 27 EU Member States<sup>3</sup>. The recruitment screeners used in the research imposed category quotas to select the following target consumers:

- **'Inexperienced'** (n=4):  
Consumers who had experienced an unsatisfactory purchase of a good or service but have not complained at all or have not taken their complaint further than the supplier, even if they were not satisfied with the supplier's response. (4 interviews per Member State) Within this group:
  - **2 interviews** were conducted with consumers who, despite having purchased a faulty product or service, **did not complain at all.**
  - **2 interviews** were conducted with consumers who had bought a faulty product or service, who did complain to their supplier and were not satisfied, yet **did not take their complaint further**
  
- **'Experienced'** (n=6):  
Consumers who had experienced an unsatisfactory purchase of a good or service and chose one of three mechanisms to seek redress (**2 x** interviews using an **Individual Court Procedure**, **2 x** interviews using an **Alternative Dispute Resolution**, **2 x** interviews using **Collective Redress**<sup>4</sup> per Member State)<sup>5</sup>

The following table outlines the sample which was ultimately attained across the 27 EU Member States in order to provide the findings of this study<sup>6</sup>:

---

<sup>3</sup> Only 9 interviews were conducted in LU and PT due to the local institutes having exhausted all recruitment efforts in the time available

<sup>4</sup> In the EU Member States that do not have collective redress mechanisms the interviews were distributed 3 ADR and 3 court procedures. See the sample grid for detailed information.

<sup>5</sup> Although we did not specifically recruit those who had experience of using Consumer Organisations, Public Authorities or Small Claims Procedures some respondents had used these mechanisms and their experiences are covered within the report

<sup>6</sup> Due to the low incidence of target consumers, the national institutes experienced varying degrees of difficulties in recruiting the specific respondent types. Any quota changes, as approved during the study, are indicated in the grid by\*. A total of n=268 interviews out of an initial target of 270 was achieved.

	Member States without consumer collective redress mechanisms: Belgium, Lithuania, Estonia, Latvia, Slovenia, Slovakia, Romania, Cyprus, Malta, the Czech Republic, Poland, Ireland, Luxemburg, Hungary (and, for the purpose of the research, Italy)				Other EU Member States (existing consumer collective redress mechanisms)				
Target (n:268):	Inexperienced:No complaint	Inexperienced:Aborted complaint	Experienced:Judicial proceeding	Experienced:ADR	Inexperienced:No complaint	Inexperienced:Aborted complaint	Experienced:Judicial proceeding	Experienced:ADR	Experienced:Collective redress
Member State:	(n:2)	(n:2)	(n:3)	(n:3)	(n:2)	(n:2)	(n:2)	(n:2)	(n:2)
AT					2	2	2	2	2
BE	2	2	3	3					
BG					2	2	2	2	2
CY	2	2	5	1*					
CZ	2	2	4	2*					
DE					2	2	2	2	2
DK					2	2	2	2	2
EE	2	2	3	3					
EL					2	2	2	2	2
ES					2	2	2	2	2
FI					2	2	1	5	0*
FR					2	2	2	2	2
HU	2	2	3	3					
IE	2	2	3	3					
IT	2	2	3	3					
LT	2	2	3	3					
LU	2	2	3	2					
LV	2	2	3	3					
MT	2	2	3	3					
NL					2	2	2	2	2
PL	2	2	3	3					
PT					2	2	2	2	1
RO	2	2	3	3					
SE					2	2	2	4	0*
SI	2	2	3	3					
SK	2	2	3	3					
UK					2	2	3	3	0*



The Member States without a Collective Redress mechanism are: Belgium, Lithuania, Estonia, Latvia, Slovenia, Slovakia, Romania, Cyprus, Malta, the Czech Republic, Poland, Ireland, Luxembourg and Hungary. Since Italy's law on Collective Redress had not yet come into force at the time of the fieldwork, Italy was considered as not having a collective redress mechanism for the purposes of this study.

The methodology which was employed in this study consisted of qualitative face-to-face, one-on-one, in-depth interviews with individuals in each of the 27 EU Member States. The interview took on average just over an hour and a semi-structured discussion guide was used to cover the relevant topics with the respondent.

The materials used for recruitment and the interviews included (examples are in the Appendices of this report):

- Recruitment questionnaire in local language
- Discussion guide in local language
  - Two sets of show cards were used in the discussion, translated into the local language:
    - *Exercise 1*: A brief description of each of the 7 different redress mechanisms
    - *Exercise 2*: 2 case studies or hypothetical examples of mass / collective claim situations with different monetary values attached:
      - Small claim
      - High-value claim

The interviews followed the flow outlined below, tailored to the respondent's experience with redress mechanisms:

**Section 1:** Warm-up and introduction of individual case, followed by:

*Inexperienced* - brief description of case of unsatisfactory purchase, and then exploration of why no complaint was made to the supplier.

*Inexperienced aborted* - investigates why and how the consumer complained to the supplier; then why he did not follow through the complaint (despite not getting a satisfactory response from the supplier) with one of the potential redress mechanisms.

*Experienced* - describes why and how the consumer did follow through the complaint (after it did not get solved with the supplier) with one of the redress mechanisms.

**Section 2:** Discussion of the various redress mechanisms (this section was the same across all consumer types).

Two exercises were undertaken with respondents:

- **Exercise 1:** exploring top-of-mind associations with the word 'redress', then spontaneous and aided awareness of the various redress mechanisms (show cards were used to introduce and briefly explain the 7 redress mechanisms).
- **Exercise 2:** two examples are presented to consumers of a possible 'mass / collective claim' situation (show card with two examples used).

The aim of these two exercises was to gain an overview of awareness and understanding levels, as well as views and preferences for each mechanism and the rationale for these. Secondly, in the 'mass / collective claim examples', the aim was to understand the reasons for selecting one of the mechanisms over any of the others in each circumstance.

### 3. Key learnings

- A consumer's **likelihood to complain** is influenced by a number of factors, including:
  - the rational aspects of awareness and knowledge of how to complain or seek consumer redress;
  - the transparency and perceived ease of the complaints process;
  - the individual's personality type, i.e. confident and assertive vs. less confident and submissive;
  - the cultural and sociological factors of a Member State's society;
  - and, most importantly, specific triggers, both of an emotional and rational nature (covered in detail in section 5).
- Consumers in the majority of Member States show an overall **awareness** of the existence of **consumer rights, protection and redress** mechanisms, with varying degrees of knowledge<sup>7</sup>. The degree of awareness of consumer protection measures varies from 'high' in Member States such as SE, DK, NL, BE, UK, DE; to 'medium' in Member States such as CY, EL, IT, AT, PT and PL, to 'low' in EE, RO, BG, LT (and, indeed, most of the Eastern European states). However, across all Member States there is far less knowledge of the specifics of the various redress mechanisms available; the processes involved, where to find information and who to ask for help. Even 'experienced' consumers know only about the mechanism they have used and not about the range of available options discussed in the interview). The UK is a notable exception in this regard with consumers feeling well informed about what to do if they feel a supplier's response to a complaint is unsatisfactory.
- Generally, **key sources of awareness** on the topic are mass media and the internet. Some Member States have well-known consumer protection shows on TV (as examples, BE, CZ, BG, IT, SE, DK, NL, UK). A few Member States such as CZ, BE, NL, IT<sup>8</sup>, CY, AT, BG mentioned word of mouth through families and friends as a source of information or advice seeking.

---

<sup>7</sup> Knowledge is partly a function of the consumers recruited, with some being 'inexperienced' and some being 'experienced'

<sup>8</sup> "I asked a few friends and they advised using a lawyer" (IT)

- Perceptual **barriers** exist as to the ease and effectiveness of taking action. Perceived high cost and time investment are key barriers as is a lack of knowledge of the types of measures that exist, which are relevant for which type of case, who to turn to for advice (in some Member States more than in others) plus a lack of knowledge on the effectiveness or powers of an authority, body or mechanism for consumer redress.
- The majority of consumers across the EU tend to be **reticent about taking action**, preferring to resolve complaints directly with suppliers, rather than taking matters further<sup>9</sup>. Even in Member States where awareness of consumer protection is comparatively high such as NL and the Nordic Member States, reservations about complaining remain: Dutch and Belgian consumers (from consensus-oriented cultures) felt that it was "*socially unacceptable*" in some cases to complain and Czech consumers felt "*embarrassed or guilty*" when complaining. Many consumers' reactions to unsatisfactory complaints resolution are characterised by "*passive acceptance*". French and Portuguese consumers appear to be the exception, describing themselves as "*factious moaners*" (FR) who are "*interested in asserting their rights*"(FR) and who "*do much complaining*" (PT).

---

<sup>9</sup> "*Unless you are a professional complainer, people try to avoid complaining.*" (PL)

#### **4. Unsatisfactory purchase experiences; consumers' national and cross-border case studies**

##### **4.1. Circumstances leading to dissatisfaction with purchases or services**

There are three key types of circumstance which tend to lead consumers to complain about a product or a service they have purchased.

- If a product or service delivery does not meet basic quality standards or a widely accepted industry standard
- If a product or service does not meet specific agreed standards
- The 'fraudulent' behaviour of a supplier or service provider

##### **Product or service delivery which does not meet basic quality standards or a widely accepted industry standard**

Whilst consumers **in all EU Member States** experience this issue across a range of product and service categories, the technology and electronics industries are most frequently mentioned. Examples encountered in the study include faulty photography products, DVD players, MP3 Players and radios as well as white goods such as freezers, cookers and microwave ovens.

There were also cases in the clothing industry, including problems with stitching, zips discolouration after washing. The construction and housing development sector is another area, where a large number of consumers have experience of sub-standard work.

##### **Product or service which does not meet the agreed parameters**

The most common instances of this type of issue occur within the travel<sup>10</sup>, financial<sup>11</sup> and telecoms<sup>12</sup> industries. Energy suppliers were

---

<sup>10</sup> Mentioned for example in BE, SE, AT, IT, BG, CZ, DE, LV, RO, UK, EE, DK, IE, NL, ES, SI, MT, HU, LT, HU

<sup>11</sup> Mentioned for example in BE, AT, RO, DE, UK, EL, IE, NL, SI, DK

<sup>12</sup> Mentioned for example in BE, SE, DE, GR, PL, IE, NL, ES, HU

also mentioned by some consumers<sup>13</sup>. In Eastern European Member States where this industry is mentioned, the problem tends to be attributed, in part, to the strong monopolistic positions of energy suppliers in these countries.

Within the travel industry, common cases included delayed flights or accommodation which was either not what had been asked for (for example, a hotel which was meant to provide a children's entertainment club but which did not) or which did not meet their level of expectation (for example, being provided with a room in a hostel as opposed to the hotel). Cases within the travel industry were experienced across all Member States.

There were also examples in the financial services industry, including lost or diminished investments and excessive bank charges. However, insurance products were the most frequent source of complaints, particularly cases which involved insurance companies 'not paying out' for what the consumer viewed as a valid claim.

Online purchases and services were mentioned by a relatively small number of consumers<sup>14</sup> (but it should be noted that there was a low overall incidence of online shopping amongst our sample). Examples recounted included either not receiving goods ordered and paid-for online or faulty goods being received with no response from suppliers when this was raised with them.

Since a significant proportion of cross-border purchases take place in the on-line environment, this means that the study overall included relatively few consumers who had engaged in such purchases.

### **'Fraudulent' behaviour of a supplier or service provider**

Of the three types of trigger, this is the one that tends to have the biggest emotional impact and leads to some of the strongest feelings of disappointment. Consumers experienced what they characterised as fraudulent behaviour from suppliers / service providers within a range of industry sectors. The nature and severity of this behaviour varied considerably; in some instances, amounts of money were

---

<sup>13</sup> Mentioned for example in AT, DE, SK, ES, BG, HU

<sup>14</sup> Mentioned for example in CZ, DK, AT

'fraudulently' taken from consumers; in other instances, there was a failure to complete contractually agreed and paid for work. The industry where consumers appear to experience fraudulent activity most often is the construction and housing sector<sup>15</sup>. Such instances also occur in the financial services industry<sup>16</sup>.

Within the construction and building industry, instances were quoted of developers who accepted upfront payments for houses or flats and then 'disappeared' before the work commenced<sup>17</sup>. The financial services industry provided several instances where consumers' investments had been negatively affected through perceived 'fraudulent' activity by a bank or investment house<sup>18</sup>.

#### 4.2. Reactions to unsatisfactory purchase experiences

In most cases, as already indicated above, the consumer's initial feeling in such circumstances is one of **disappointment**. Most purchases of goods, apart from the very mundane and everyday, are accompanied by a sense of anticipation. It is the failure of a purchase to deliver against this sense of anticipation which triggers, firstly, the sense of disappointment and, then, the desire to complain and obtain a satisfactory resolution from the supplier, usually preceded and accompanied by a sense of **frustration**.

It is after this initial sense of disappointment and frustration that consumers tend to diverge in terms of their emotions and, generally speaking, the experienced consumers tended to display stronger negative emotions than the inexperienced (so, we can infer, those that sought redress did so, at least in part because they felt more strongly about the need for redress). For example, experienced consumers tended to describe their emotions in terms such as "angry"<sup>19</sup>,

---

<sup>15</sup> Mentioned for example in BE, IT, EL, SE, CY, LV, RO, MT, SK, IE, NL, ES, SI, LT

<sup>16</sup> Mentioned for example in BE, RO, DK, EL, PL, NL, AT, SI

<sup>17</sup> Mentioned for example in BE, LV, SK

<sup>18</sup> Mentioned for example in AT, DK, RO, SI, NL

<sup>19</sup> Mentioned for example in BE, SE, AT, IT, CZ, EE, DE, LV, CY, RO, HU

“vengeful”<sup>20</sup>, “bitter”<sup>21</sup> and “exploited”<sup>22</sup>. The inexperienced consumers tended to use words like “helpless”<sup>23</sup> and “anxious.”<sup>24</sup>

In addition to these general patterns, some differences also emerge between the consumers from different Member States. Those from the Eastern European Member States<sup>25</sup>, regardless of whether they are experienced or inexperienced, are far more likely to feel emotions such as self-doubt, guilt and powerlessness. They tend to attribute this to a residual effect of the lack of consumer rights during the communist era<sup>26</sup>.

The importance of the emotional dimension and the sense of violation of rights are clearly expressed in the example of a Danish consumer, who, due to feeling very protected by consumer rights legislation in Denmark, experienced deep “shock” and “anger” when his rights were not upheld by a supplier.<sup>27</sup>

It is when these strong emotions<sup>28</sup> occur that consumers feel impelled to take things further.

---

<sup>20</sup> Mentioned for example in BE, SE, RO

<sup>21</sup> Mentioned in DE

<sup>22</sup> Mentioned in DE, UK

<sup>23</sup> Mentioned in DE, UK

<sup>24</sup> Mentioned in CY

<sup>25</sup> Mentioned for example in EE, BG, CZ, HU

<sup>26</sup> *“The regime was not in the form of market economy, which means that consumers were not real consumers as the economy was regulated.” (SI)*

<sup>27</sup> *“I was shocked. Quite simply- I couldn’t speak, I just sat there, stunned. I had to read it several times, and all I could think was “something is wrong, something is very wrong” over and over again. And then, when it finally sank in, I got very angry.” (DK)*

<sup>28</sup> *“I was shocked and very scared when I realise that I can lose my mortgaged apartment, if I don’t get back the money paid to that construction company.” (LV) “It’s like telling you – be a slave! We will use you and we’ll do what we like on your account.” (BG) “At first, I stayed calm. I said to myself that you have to stay calm when it comes to stock-options, because when you are full of anger or full of fear, it’s not helpful...”(AT)*



### 4.3. Drivers of and barriers to complaining to suppliers

#### 4.3.1. Drivers of complaining to suppliers

A number of factors relating to the purchase and purchase process affect the likelihood and willingness of consumers to complain to the supplier. These tend to be consistent across Member States and are summarised below ranked by order of importance as drivers of behaviour:

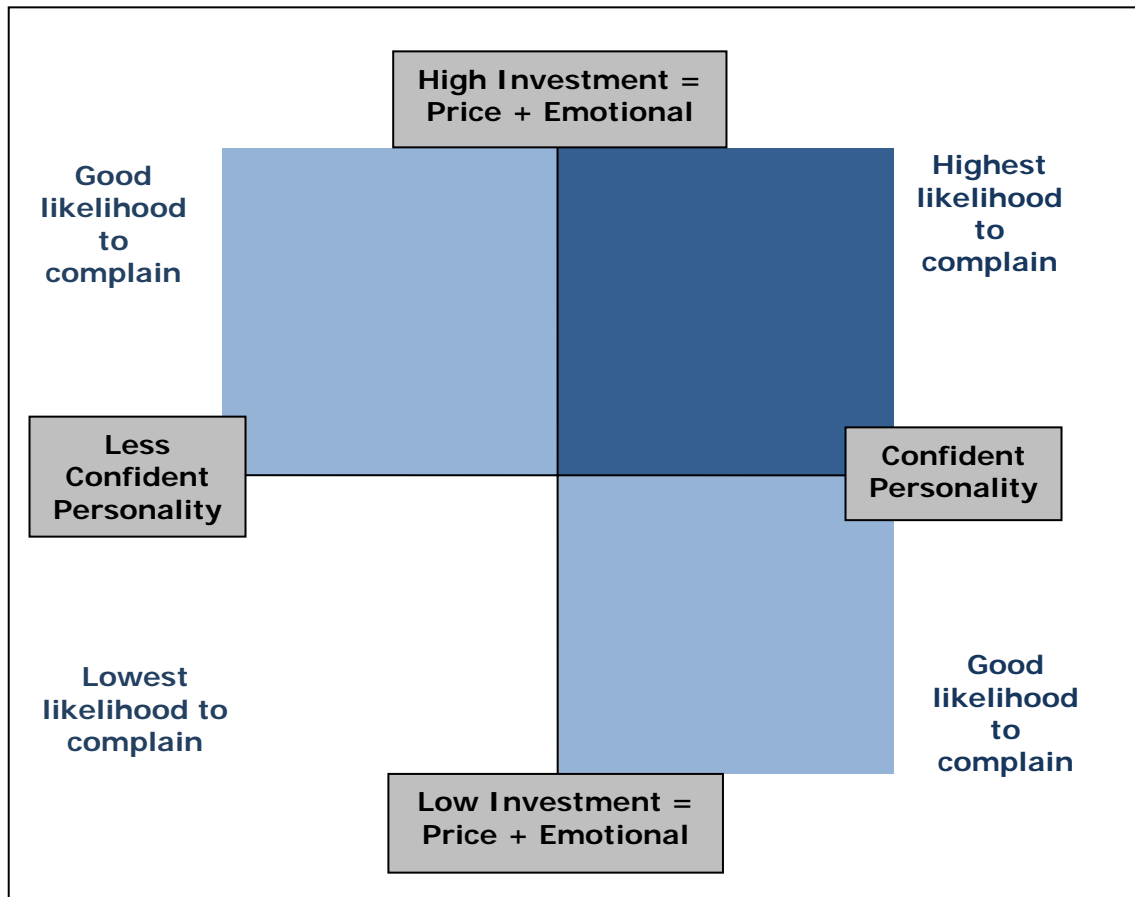
- the **cost involved** in the product or service which can include the direct cost of the item as well as any indirect costs involved in sourcing the product or service,
- the **impact the defective product** or service had or could have had on the consumer,
- the **underlying rationale** for which the consumer purchased the product or service,
- the **time invested** in seeking out the product or service,
- the **nature** of the purchase or service,
- the **impact the loss** of the product or service will have, and
- the **expected response** from the supplier / service provider on addressing the consumer's issues relating to the product or service in question.

These factors can be further refined, alongside the emotional factors already discussed to identify **three overarching and interrelated influences**, which drive consumers to complain to suppliers and service providers and which are consistent across consumers in the Member States. These can be summarised as:

- Economic investment (price);
- Emotional investment (joy, expectations, anticipation);
- Level of consumer confidence/personality and/or local culture (in regard to complaining or knowledge of consumer protection and redress rights)

The diagram below summarises the interactions between these factors:

**Diagram 1: Overarching Influences Driving Complaints to the Supplier**



**Diagram 1 Explanation:** The three overarching influences play a key role in determining which consumers will be propelled to complain and in which instances. For example, a less confident consumer who books a hotel online and is disappointed with his room on arrival would be less likely to complain due to his/her low levels of confidence, despite the high economic and emotional investment. Such an individual might rationalise away his dissatisfaction in a way a more confident personality would not (after all, we're only staying here 2 nights). On the other hand, a self-confident consumer who purchases, for example, a pair of €20 gloves as a gift for his wife might well complain, despite the relatively low price tag.

### **The cost or value of the product or service purchased.**

This is the most influential factor in determining whether a consumer complains or not<sup>29</sup>. However, it is extremely difficult to generalise about precisely what constitutes 'expensive enough to complain.' For some consumers, the cost of an item or service has to be relatively high for them to feel justified in or motivated to make a complaint. Others appear willing to complain at a far lower threshold. The level appears to depend upon personal circumstances, the nature of the item which was purchased and the Member State from which the consumer comes.

This regional influence is clear and relatively consistent. The value threshold tends to be much lower for consumers from many of the newer Member States, the Eastern European countries and Greece. The figure tends to be higher in the Western European and Scandinavian countries. For Eastern European and Greek consumers, a purchase price in the region of €50 is typically sufficient to trigger a complaint to a supplier (for some countries the figure is even lower e.g. €18 in RO). For Western European and Scandinavian consumers, this amount tends to be above €100, with a number of consumers claiming it would require a far higher amount for them to definitely make a complaint (e.g. €500 for some in Member States such as SE, IT, BE and CY).

### **Physical evidence of a product or service fault or an obvious case of defect or service non-delivery**

In instances where a fault or defect is fundamental to the functioning of a product the likelihood to complain is heightened. We encountered examples of this across all EU Member States. These tended to cover primarily technological or electrical items, for example, MP3 Players, DVD Players and white goods. Where items are considered a one-off or long-term purchase, such as a camera or a home, consumers are more driven to resolve the complaint with suppliers than not complain at all.

---

<sup>29</sup> "I wouldn't press a claim for food, say, but I would claim for faulty furniture or for a service which I had expected to use for a long time."(CZ)

In some Member States problems with the telecoms and utility supply industries fell into this category (e.g. AT, DE, BG, ES and HU).

A recurring problem with the same product or service tends to increase the motivation to take a complaint to the supplier or service provider. In this instance the initial frustration is compounded, turning to anger and fury.

### **The time and effort involved in the purchase**

Some consumers place a value on a purchase which goes beyond the basic price, to include the time and effort involved in seeking it out. For example, a Czech consumer saved for a period of time to be able to purchase a holiday in a location she had always wanted to visit. This consumer considered the effort she had put into searching for the ideal hotel, the time she had taken off work to rest and the emotional investment she had placed in the holiday, equally significant to the money she paid<sup>30</sup>.

Another, similar, example involved the dry-cleaning of a dress for a wedding (UK). When the process damaged the dress there was the significant additional disappointment of having wedding plans disrupted and ruined.

### **Potential impact of the defective product**

For many, the physical harm or damage a defective product or faulty service has caused or could potentially cause motivates them to make a complaint. (In fact many of these instances also lead very quickly to seeking independent redress). Examples include a defective microwave oven which set the consumer's kitchen alight (BE), a tyre which came off a child's quad-bike while the child was riding it (SI) and or not having service from an energy supplier despite making payments (BG). It is clear that, when potential harm to oneself or others is perceived the motivation to complain is particularly strong<sup>31</sup>

---

*"The price definitely played a role—I'd been saving for several months for that holiday. I really needed to spend ten stress-free days in peace"(CZ).*

<sup>31</sup> *"Because its life threatening...that's negligence, that's manslaughter - that's where my social conscience kicks in." (UK)*

(which some express in terms of their 'rights' needing to be 'preserved').

### **The “principle of the matter”**

In some instances rights and principles become a key driver. In these instances, the cost of the item is often secondary to the principle involved. Examples here tend to include cheaper products such as food products. Some consumers feel the cost of such products is not worth the effort of complaining, whilst others feel suppliers should not be selling products which are not fit for consumption e.g. a fly on a bread roll, sour milk and inedible sausages.<sup>32</sup>

### **Transparency and ease of the complaints process**

In the UK a further important driver of complaints to suppliers is that consumers are provided with the correct information and procedures for complaints. This is often at both a retailer and manufacturer level. As a result, consumers in the UK tend to feel less anxious about taking their complaints forward as opposed to consumers in some other Member States where there is less information and complaining is less obviously 'encouraged'. A similar example was quoted by a respondent in Italy. This individual was confident of their rights and encouraged visible championing of consumer rights in the mass media.<sup>33</sup> Similar attitudes were also found in the Nordic Member States Belgium and Luxembourg.

#### **4.3.2. Barriers to complaining to suppliers**

A number of barriers exist for the consumer in addressing their complaint with the supplier. Many of the barriers are counterpoints to

---

<sup>32</sup> *"I got upset because it's not the value of the product but the inconvenience of taking the product back. It's also a matter of consumer health (Insects in the cereal)." (CY)*

*"In this case it wasn't existence-threatening. Normally I shouldn't have cared, but I did. It's a matter of principles." (AT)*

*"One should complain. It is the right thing to do." (PT)*

<sup>33</sup> *"Consumer legislation lays down that, if a retailer cannot change goods, he is obliged to give the customer his money back. I read this in an article by Staffelli. " (Stafelli is a media journalist in Italy who addresses consumer rights' issues) (IT)*

the drivers already discussed. In addition, some of these barriers are more rational rather than emotional and it is amongst the experienced sample that we note a far stronger inclination for emotional reasons not to complain. This is largely centred on their lack of confidence and their concern that they may fail to achieve a positive result from taking the matter further.

### **The cost or value of the product or service purchased**

As price (or value) it is the strongest driver, so it can also act as the strongest barrier to complaining. Where the amount paid for the item is not considered high (enough), consumers are on the whole, less likely to complain. The underlying principle is that of *"not worth the bother"*.<sup>34</sup> In Eastern European Member States purchases less than €20 fall into this category. In Greece the figure can be as low as €1 or €2. In Western European and Scandinavian countries the figures quoted tend to be around €50, rising, in some cases, to as high as €400 (SE, DK, IT, and DE).

In some instances consumers may feel that they made a price driven choice at purchase which, to some degree, disqualifies them from complaining. Respondents from both UK and Cyprus offered examples of purchasing unbranded or known cheap brands and feeling they are almost 'to blame' for making the decision to purchase *"cheap"*, and so are less inclined to make a complaint when a fault occurs.

### **The time and effort involved in complaining**

The time and effort required for the consumer to make the complaint to the supplier is a further barrier, in particular when a lower priced item is involved. In the instances where consumers have complained about lower priced items, they have managed to do so with very little inconvenience to themselves for example, where they have bought food products from the local store which is easy enough to access on the way to and from work.<sup>35</sup>

---

<sup>34</sup> *"I'd have felt almost ridiculous going to complain about some milk or yoghurts."* (IT)

<sup>35</sup> *"If the shop was just down the street I'd complain even if it was only a matter of CZK 100, but I wouldn't cross the city for that."* (CZ)

## The size and proximity of the supplier

Many consumers believe local, familiar suppliers are much easier to address with complaints than major retailers, large industry leaders or utility suppliers<sup>36</sup>. For many, the process of complaining is perceived to be far more arduous when dealing with suppliers outside of the local and the familiar. The UK is a clear exception to this; consumers here appear more reluctant to complain to small traders or shops than to larger companies. They believe that the local supplier has 'more to lose' in accepting blame for a defective product.

In the case of cross-border purchases, the geographical remoteness of the supplier can have a negative impact on the likelihood of consumers to complain. There is a clear view that the likelihood of achieving the desired outcome is lower where a supplier is located in another country, even if it is another EU Member State. As a result consumers are less likely to initiate the process of complaining.

## Personality of the consumer

Over and above the specific rationalisations given by consumers for not complaining, there is a clear relationship between the personality/inclinations of the consumer and the likelihood of complaining; less confident consumers are less likely to complain. A number of respondents talked about a sense of anxiety regarding taking complaints to the supplier. These consumers also tend to raise doubts in their own minds about the validity of their complaint or the likelihood of its being rejected. They express concern about such things as proof of purchase and, in the more extreme cases, speak of "*guilt*" or "*shame*"; that the supplier may blame them for the damage to the product or "*embarrassment*" that they may not be believed.<sup>37</sup>

In some Member States, most notably the Netherlands and Belgium, there appear to be issues around the social acceptability of claiming.

---

<sup>36</sup> Mentioned for example in IT, BG, DE, CZ, EE, RO, EL

<sup>37</sup> *"Say I take shoes to the shop, the damage is visible and they must accept it. If I say that I didn't like a meal, it's partly my problem. It's hard to push the issue when it relies on a subjective judgment."* (CZ)

*"What was I meant to say to the assistant? ... That I found the stitching undone? Maybe the assistant would say I was the cause."* (IT)

Some Czech consumers maintain they feel "*embarrassed or guilty*" when complaining. A general "*passive acceptance*" as a base sentiment in cases of unsatisfactory purchases of goods or services was expressed by consumers from a number of Member States (AT, SK, NL, and PL).

#### 4.3.3. Evaluation and outcome of the process of complaining to a supplier

Irrespective of their inclination to complain or not the majority of those who had been through the process of complaining to a supplier were **left feeling negative about the complaining process**. Such feelings can arise whether or not the claim itself is successful but they are far more prevalent and strongly felt where the outcome was negative or the process not followed through to conclusion.

The majority of consumers describe their experiences in endeavouring to obtain an outcome from suppliers as difficult and many who continued into a consumer redress process note their dissatisfaction with the results of this initial stage of the process. In most instances, seeking redress was a **time-consuming and arduous exercise**.<sup>38</sup> The experiences described in the quote are very typical. Many consumers talked about:

- making numerous phone-calls;
- having to re-explain the issue they are having problems with, to various people in various departments;
- sometimes being treated in a disrespectful manner;
- often feeling ignored or feeling that their complaint is not being taken seriously;

This is described by consumers in several Member States, in particular, FR, LU, EL, NL, SI, ES. In addition, French consumers stress that at

---

<sup>38</sup> *"It's as though they think that you will give up, mind you I can understand that, they wear you down over time, there must be a lot of people who give up... rather than calling, calling back, sending a registered letter, going round in circles, deciding "what to choose", finding the right person who can tell you the right steps to follow, that took me a lot of time! I saved some money, but it took me a lot of time."* (FR)



no point do suppliers spontaneously recognise their mistake / responsibility or propose any form of compensation.

### **Complaint process**

There was a good deal of consistency in the process followed by consumers in complaining to suppliers. An initial approach to the supplier or service provider is the starting point to the complaint process, whether in person, by letter, by phone call or by e-mail. Desired outcomes at this stage vary e.g. product replacement; full refund; item repaired; an apology.

Where service providers or large retailers have well-publicised customer help-lines available the expectation is that a complaints process will form part of this facility. Telephone complaints, therefore, formed a considerable proportion of those mentioned by respondents. There were some instances of consumers using this route and being happy with both process and outcome. However, the majority of those who used the help-line route (whether for major retailers, distributors, banks or utility providers) found the experience neither as simple nor as quick as they had hoped. In some cases the procedure for complaints attached to the help-lines was, at best, arduous and often ineffective. Positive experiences with help-lines appear to be more prevalent in the UK and Nordic Member States than in others.

With the other channels mentioned by consumers (face-to-face contact, letters, faxes or e-mails) there is no indication that any one of these methods is likely to result in a more positive experience or outcome versus another.

In reviewing their experiences, some consumers who had followed the process of complaining to its conclusion, regardless of the outcome, felt positive about what they had achieved. Not just in terms of the outcome obtained but the skills and experience they had acquired.<sup>39</sup>

---

<sup>39</sup> *"I have become a living legend among my friends. Now, if anyone gets in trouble, they call me and ask what to do, where to go, and I give them the advice." (LV)*  
*"On the second time I was more experienced and the procedure took me much less time. I knew that I wouldn't have to appear in person, that I could send registered mail instead. Now I assist all my friends with advice, who encounter similar problems with faulty product / service."(LV)*

Overall, the majority of those who had complained to suppliers noted a lack of proactivity in the responses they received to their various attempts to make a complaint. Bearing in mind that our study was focussed on those who had not achieved a satisfactory resolution to at least one complaint, this is, to some extent inevitable. However, it is important to be aware that consumers tend to approach the redress process(es) already feeling, at best, disempowered<sup>40</sup>.

#### **4.4. Drivers and barriers in taking the complaint further after a negative result from addressing the supplier**

In simple terms, the critical driver for all consumers in taking their complaint further than the immediate supplier and seeking redress through independent mechanisms is the short-comings of the response from the supplier. The likelihood of 'moving to the next stage' is made even greater where the consumer feels he or she has been treated rudely or received arrogant or uncooperative responses from a supplier; been given a response that is "*unreasonable or unethical*". So, where the main emotion prior to complaining to a supplier is disappointment, by the time consumers reach the stage of seeking redress, the most typical emotion is frustration, often coupled with anger or affront.

##### **4.4.1. Drivers in taking the complaint further**

###### **Unacceptably negative supplier response**

As outlined above, being unhappy with the response received from a supplier is the biggest driver to seeking redress. In this instance we are considering situations where the supplier has been specifically negative in its response, rather than simply ineffective. Many of our experienced respondents claim that it was a negative, even apathetic

---

<sup>40</sup> *"They ignore you, they do not tell you anything, they do not even come out in person to tell you that they are sorry and that they are working on it." (ES)*  
*"Impotence, you cannot do anything"*

or rude response<sup>41</sup> from the supplier which led to becoming so frustrated or angry that they felt compelled take the matter further.

In many cases a supplier's negative attitude manifests itself in an unwillingness to resolve the issue. Consumers related cases where they had been made to feel responsible for the defect and other instances where inappropriate action was suggested in dealing with the complaint. For example, a consumer purchased a washing machine which was defective; the supplier's maintenance department suggested that each time the consumer used the washing machine she hold a screwdriver at a specific point until the washing cycle was complete, something she viewed as a wholly unacceptable and inadequate response<sup>42</sup>.

### **Insufficient supplier response**

A few instances were recounted by respondents where a supplier has done their best to deal with a complaint but has been able to provide a fully satisfactory response due either to procedural requirements or other factors outside the supplier's control. The consumer then takes the matter further in order to obtain full redress. In one example, a supplier was willing to replace a defective electric blanket but had no further stock available. The defective product was sent away for repairs and a few weeks into using the repaired product, the consumer experienced the same problems she had before. At this point she looked for some independent form of action<sup>43</sup>.

### **Cost of the item**

---

<sup>41</sup> "On principle [I took it further], he's damaged my dress and he's not accepting any liability. The way he has spoken to me... he didn't apologise...he had it all screwed up in a ball and it was one of my favourite dresses, he just said 'oh it's damaged...' I felt devastated, I was just so gob-smacked. My dress was damaged but it was also the way he spoke to me." (UK)

"When they [the supplier] indicated that we had done something wrong I was extremely annoyed and decided to take my case further."(SE)

"The gentleman was very unfriendly. This kind of attitude is what bothers me the most." (SI)

<sup>42</sup> This example is from EE

<sup>43</sup> This example is from IT

As it does with the decision whether to complain to the supplier, the value / cost of the product or service plays a role in the decision to escalate the complaint<sup>44</sup>. Where larger amounts are paid for items, consumers are more likely to seek compensation and are likely to 'stick with the process' for longer. Conversely, where the amount is perceived as low, it is often deemed as insufficiently significant to take the matter further. The 'tipping point' levels indicated by consumers tend to be slightly higher than those which would trigger a complaint to a supplier but these differences are relatively small. This appears to reflect the more subordinate role that price plays in the decisions to seek redress which, as we have seen, is far more driven by supplier responses to the initial complaint. For Eastern European consumers, an average amount of €50 is sufficient to take a complaint further (for some it is far lower i.e. €18 for consumers in Romania). For Western European and Scandinavian consumers, the amount tends to be above €100, with a number of consumers in certain Member States<sup>45</sup> claiming a far higher tipping point e.g. €500.

For less expensive items, such as food products or other perishables, not many consumers within the sample would consider taking the complaint further than the supplier as the perceived effort required to be put into managing and driving the complaint procedure to a conclusion is not worth the amount consumers have spent.

### **The "principle of the matter"**

As with initial complaints, some consumers felt impelled to seek further redress as "*a matter of principle*"<sup>46</sup>. Where this was part of the

<sup>44</sup> "It was around CZK 3000 (EUR 112). That's not chickenfeed to me, so I decided to take it further." (CZ)

"If we had this kind of money and we didn't have to count money, maybe we then would not have done it, but we work 80 hours a week and we know exactly how hard it is to earn this money." (EE)

<sup>45</sup> SE, AT, BE, IT

<sup>46</sup> "They knew they were selling inferior products, they just counted on consumer indolence. That was one of the main reasons I decided not to roll over." (CZ)

"When they rejected the whole complaint without even giving me a reason I felt I just had to go further: it was the abuse of power that made me act." (CZ)

"If a client wants his/her money back or wants to change a product and the supplier turns to him/her superciliously, then the price is not the issue anymore...if it is 1 EEK or 10 000 EEK, then it is all about principles." (EE)

impulse for the initial complaint the principle tends to become an ever stronger driver the more drawn out the complaint process becomes. For some consumers the process can eventually become more about fighting the perceived injustice than the original cause of the complaint. In this instance the perceived abuse of power on the supplier's part and the supplier chain's perceived disregard for consumers can become a driver in its own right.<sup>47</sup>

For these consumers, there can be a huge sense of satisfaction if the outcome of the redress process is positive. However, there is also a heightened risk of negativity and frustration once a consumer has decided to follow the process to its conclusion, on the grounds of principle, only to receive a negative outcome at the end.

### **The role of the media**

The media appears to play a significant role in people's decisions whether or not to seek redress. It has real influence on consumers' awareness and understanding of consumer rights and the mechanisms available for redress. Most of the consumers interviewed, across all Member States, appeared to a good level of awareness of media programmes which deal with consumers' rights.

Many consumers were able to cite examples of cases similar to their own which they had either seen on television or read about in the press. In many cases they would also have some understanding of the redress mechanisms involved and the organisations and authorities mentioned.

On a psychological level, the best of these programmes appear to instil a level of confidence in consumers; they become more aware of their rights as consumer and feel better equipped when taking matters further. Some consumers claim they have taken their specific complaint to the media as a route to obtaining redress (albeit with limited success in some instances)<sup>48</sup> whilst others might consider this

---

<sup>47</sup> *"The impunity of dishonest people."* (PT)

<sup>48</sup> *"It was really hard to get a response from Watchdog – you have to send them an email and I didn't get back any sort of confirmation they had received my story"* (UK)

in moments of frustration.<sup>49</sup> There are even a few consumers who have threatened suppliers with this approach, in order to place pressure on them to provide compensation, as they feel more certain of a positive outcome through this approach (including consumers from the UK, BE, IT).

#### 4.4.2. Barriers to taking the complaint further

Many of the barriers identified echoed those to an initial complaint. A number of them were also the negative counterparts of the drivers already discussed. Amongst these barriers are:

- **The cost or value of the item**
- **Personal anxiety**<sup>50</sup>

In addition to these considerations, two other issues are of importance in understanding consumer behaviour and decisions:

##### **The further costs, time and effort which may be incurred**

There is a general perception that involving a third party or independent process in seeking to get a satisfactory resolution to a complaint will take time and effort. This is something that some consumers feel is a significant consideration, both in absolute and in relative terms. Where the amount paid for the item is not considered high (enough), consumers are less likely to pursue formal court-based mechanisms for redress. They tend to take the view that the costs associated with legal proceedings are not justified by the sums involved.<sup>51</sup> Whilst other mechanisms are available to consumers, many are unaware of this and, therefore, assume that a decision not to go to court is, effectively, a decision to abandon the complaint.

---

<sup>49</sup> *"I would go to the media first, that might scare them a little. I might also turn to an inspection and then maybe to Consumers' Association of Slovenia."* (SI)

<sup>50</sup> *"I would be afraid to go to court or to go on television; I don't have the personality for it. I tend to sit and stew rather than actually doing anything."* (CZ)  
*"What stops you from taking your case further is that it is embarrassing and it could look somewhat avaricious to get back."* (SE)

<sup>51</sup> *"The cost of the product cannot compare to the money and effort that engaging a lawyer would cost"* (AT)

## Lack of information on redress mechanisms

In many cases this is a significant factor in decreasing the likelihood of consumers seeking further redress. As outlined above, consumers generally lack the knowledge of the consumer redress mechanisms available to them. This means that they will be both unaware that there are options open to them and, in some cases, will have no knowledge of the mechanism that might best suit their situation and needs. Even where there is some general awareness of a mechanism or mechanisms, this is often insufficient for consumers to feel able to take next steps.

Further, where the desire to seek redress is still strong and some mechanism is being sought, consumers can experience difficulties in knowing where to look. There were isolated examples of consumers seeking out such information but much of the anecdotal feedback indicated how hard such information appeared to be to locate.<sup>52</sup>

Within this context, **online and cross border complaints** are presumed to be even more difficult, if not impossible to address. Consumers anticipate that the difficulties they would experience in their home countries would be multiplied if they were to seek out information on redress mechanisms and the processes consumers need to follow in order to seek compensation for cross-border complaints. As a result, consumers are even less likely to pursue these complaints.<sup>53</sup>

---

<sup>52</sup> "I knew I could address the issue to the National Agency for Consumer Protection, but I didn't know the exact contact details, where it was located and I found it very difficult to search for. [...] I aborted I think because of the commodity, frustration, anger and so on." (RO)

"I knew about ADR because I looked on their website (Citizens Advice Bureau) but there wasn't a lot of information about it and it didn't really explain anything, so I did know there was this service but as I say it didn't really have any information" (UK)

<sup>53</sup> "I wouldn't hesitate to shop in Germany, because they are so afraid of complaints there. But I don't know how to proceed outside the shop."(SE)

## 5. Seeking consumer redress – the consumers' experience with the different redress mechanisms

In this section we discuss consumers' **experiences** with each of the redress mechanisms; the findings are based only on the comments of those individuals who have employed the various approaches.

### 5.1. Initial investigative process

For those consumers who make the decision to take further action, the starting point is often to make contact with a third party in order to evaluate both the validity of their complaint, likelihood of a positive outcome and what that might consist of.

This initial contact will sometimes be with knowledgeable and trusted friends, family or colleagues. However, it more often involves an approach to a **lawyer** or the **Public Authorities** or **Consumer Organisations**. Consumers either access Public Authorities and Consumer Organisations directly, or search the internet in order to identify the most appropriate body to deal with their complaint. Which route an individual consumer might take would be hard to predict since it appears to depend on such a wide range of highly diverse factors.

As noted above, consumers are primarily looking to gather information from this stage of the process. They want to know how to take the process forward and what options they have in terms of consumer redress mechanisms (although they would not use this term). In some instances they may still not have made a final decision whether or not to proceed.

Differences between EU Member States are very apparent at this point; it is here that consumers will find they either have access to a sufficient amount of information in order to make the decision on a suitable mechanism for redress and the process they need to follow, or not.

The consumer then evaluates the information they have received and either aborts the process, as a result of some or all of the barriers discussed above, or begins the process via their chosen mechanism.



The most commonly known, considered and used mechanisms for consumer redress include **Individual Court Action**, **Public Authorities**, **Consumer Organisations** and **Alternative Dispute Resolution**, and to a lesser degree **Collective Court Action**.

## 5.2. Experience of redress mechanisms

### 5.2.1. Individual Court Action

Individual Court Action is the most commonly known mechanism for redress, amongst consumers from all member states. Consumers tend to have a high awareness of the existence of the mechanism and a clear idea of where and how to initiate the process. Furthermore, they feel they have a reasonable grasp of how legal processes work and some expectation of the cost and time implications of taking this route.

#### The consumer's reasons for selecting the mechanism

Due to the relatively high cost and perceived "*arduous process*" associated with this mechanism for redress,<sup>54</sup> those who utilised it did so with a clear perception of the seriousness of their complaint and the personal financial implications of not taking further action. This mechanism was employed, for example, where the consumer had been a victim of serious fraud such as a home not being built after a deposit had been paid<sup>55</sup>.

Those consumers who adopted this mechanism were convinced of the legitimacy of their case, accepting the costs and the time implications in the light of this conviction<sup>56</sup>. Some also felt that the seriousness of their complaint 'merited' an authoritative mechanism of this sort.

---

<sup>54</sup> In some Member States, notably many Eastern European States as well as a few Western European States i.e. Italy, consumers refer to the time it takes for cases to move through the judicial system to conclusion; often up to 10 years.

<sup>55</sup> A specific example quoted in LV

<sup>56</sup> "*I've hired a lawyer, first as a means to intimidate and to make the complaint official, but also because I did not know any other procedure, this was the only thing I knew.*" (BE)

*"There is no better recourse than the courts: suing may be a last resort, but when a supplier simply refuses to negotiate it's the only option. I decided I was going to court the moment I received that unscrupulous response."* (CZ)

In a limited number of Member States, such as the UK and the Nordic Member States, consumers have access to legal representation either as a work benefit or through membership of a trade union. In these situations this redress mechanism is considered more frequently and perceived to be more accessible than in other Member States.

### **The consumers' experience with the mechanism and process**

Amongst those consumers with experience of Individual Court Proceedings there was a general consensus that the process itself is quite demanding and even daunting. The bureaucratic and time consuming nature of the mechanism can be a cause of frustration and the complexities of the process, the language and terminology can make it difficult to understand exactly what is going on.

The cost implications were a significant negative aspect for some consumers who had been through the process (including consumers from EL, PL, PT; particularly when coupled with extensive time delays<sup>57</sup> (mentioned in IT, BG, LV, PT))

For some, there was a significant emotional impact. The court proceedings were found to be somewhat intimidating or emotionally challenging and an unpleasant experience for the consumers to go through (a point made in DK in particular).

If, after all the time, effort and stress the final outcome is not what was hoped for, it results in a long-lasting and powerfully negative legacy for consumers. This is far more pronounced than with other mechanisms due to the emotional and physical demands this approach makes.

### **The Consumers' level of satisfaction with the outcome**

Consumers who had utilised this mechanism spoke positively about the enforceability of the judgement (in comparison to mediation or arbitration processes) and the fact that the process was managed by

---

<sup>57</sup> *"It is a disgrace! They (the court) did not do anything. Even when matters are very clear, they take so long that in the end all that we get is frustration".(PT)*

legal expertise, removing responsibility from the consumer to make their case against the supplier involved.<sup>58</sup>

Furthermore, in most instances where this mechanism was utilised and had reached a conclusion (a number of cases are still pending), consumers were largely positive about the outcome (including consumers in EL, DK, AT, LU, FR, PL)

In some instances even the threat of a court action was sufficient to produce the desired outcome for the consumer<sup>59</sup>.

In IE, some consumers had made use of the **Small Claims Court**, which delivered a positive result. In one instance the supplier settled out-of-court, the summons to the small claims court being sufficient to prompt settlement.

### 5.2.2. Public Authorities<sup>60</sup>

Consumers from many member states (including UK, DK, CY, EE, DE, SK, LT, CZ, SE, HU, LV, IT) tended to confuse Public Authorities and Consumer Organisations. As far as possible, perceptions have been separated but there are still some areas where consumer vagueness may slightly blur the findings.

Consumers in Western European and Scandinavian Member States generally describe positive experiences with Public Authorities as vehicles of redress. In these countries this route tends to be the first port of call for consumers. The mechanism enjoys high levels of awareness, is viewed as easily accessible, is not perceived to be

---

<sup>58</sup> "I wanted an immediate and clear solution and that's why I decided to follow the judicial procedure." (EL)

<sup>59</sup> "My case shows that if a notice to appear in the court comes, it makes them very quickly take action and makes it easier to find an out-of-court solution." (EE)

<sup>60</sup> Although our recruitment process was focussed on finding respondents who had experienced individual court proceedings, ADR or collective redress, it became clear during the interviews that we also had consumers in the sample with experience of other redress mechanisms. We have included feedback on their experiences in the report since it provides valuable insight and context. In the case of public authorities the most common consumer experience involved an initial approach, often leading to the eventual use of another redress mechanism

intimidating and, based on the views of those who have used it, the procedures involved are easy to understand and follow.

Consumers from the Eastern European States, on the other hand (for example, in Bulgaria and Estonia) view Public Authorities as largely ineffective.

### **The consumer's reasons for selecting this mechanism**

There are a number of related reasons for the selection of this approach to seeking redress:

- Some consumers feel there is a relative security in approaching Public Authorities since they have an association with government.
- They are also perceived to offer a high level of expertise on which the consumer can draw.
- Any outcomes Public Authorities are involved in are felt to be more binding (again compared with outcomes from mediation; mentioned by consumers in Western European and Scandinavian Member States).
- As with the courts, the threat of approaching a Public Authority can result in a positive response from suppliers in terms of providing compensation.

### **The consumer's experience with the mechanism and process**

Most consumers who had dealt with the Public Authorities found the experience a positive one and the processes easy and transparent. However, in the instances where the offer was limited to providing advice, information and direction as to the most suitable way forward for their complaint, a few consumers were less satisfied. They would have preferred a mechanism which included taking action against suppliers and corporations on the consumer's behalf.

Regardless of this, many of the consumers who experienced this mechanism were largely positive about having approached Public Authorities as the start point of the process.<sup>61</sup>

---

<sup>61</sup> "I expected instructions on how to proceed and how to phrase the official complaint because I had had no experience with that." (CZ)

Public Authority involvement was felt to have delivered a quick result and in most cases a positive one (examples being cited in SI and SL). Further, where consumers were not required to manage the complaint and redress process themselves but only to make their case and present the receipts for payment, the experience was clearly favourable.<sup>62</sup>

However, there were also consumers who felt that involving the public authorities had been a complete waste of time. Instances were quoted of government bodies being slow, bureaucratic and unresponsive<sup>63</sup>.

### **The Consumer's level of satisfaction with the outcome**

Levels of satisfaction with the outcomes of this mechanism were very mixed, largely determined by the consumer's expectations at the start of the process. Where the expectations were for advice, information and guidance, experiences tended to be positive.

Where Public Authorities were perceived in a less positive light, it tended to be a result of consumers' expectations not being met; where consumers were looking for more involvement in taking their case forward<sup>64</sup>. In the cases where this did not occur, consumers were largely negative. Furthermore, where outcomes were achieved but not what the consumer had been hoping for, the 'failure' tended to be ascribed to a lack of authority these bodies have in enforcing their judgements and requiring suppliers to make payment. In some instances there were also comments that Public Authorities are not impartial but favour the suppliers.<sup>65</sup> Finally, an example was given by a consumer in Austria of dissatisfaction with the amount of compensation received.

---

<sup>62</sup> *"It was a formal complaint to the Ministry. Basically I believe that because we knew this person everything happened fast. If we didn't know the particular person it might have delayed. But everything happened fast and simple."*(CY)

<sup>63</sup> *"You can officially report the problem but then what happens? It ends there."* (IT)  
*"Nothing. There was not even an answer. I've submitted a complaint for other cases as well and nothing again. I even bring the complaints personally, not by post."* (BG)

<sup>64</sup> *"In my opinion Consumer Protection Board and Consumer Complaints Committee are totally powerless, because they cannot really do anything."* (EE)

<sup>65</sup> *"In the end I had the impression that the Consumer Complaints Committee and the supplier wash each other's hands."* (EE)

### 5.2.3. Consumer Organisations<sup>66</sup>

Consumer Organisations are also considered a good starting point for the process of taking a complaint further.

#### **The consumer's reasons for selecting this mechanism**

The media often informs the public of the role of Consumer Organisations<sup>67</sup> and can even, in some instances, direct consumers to specific organisations for assistance in taking complaints further. The media will also highlight specific cases where Consumer Organisations have assisted in bringing action against companies and corporations on the consumer's behalf. As a result of this high level of visibility, the level of consumer trust in this route is generally quite high.

As a result, many consumers turn to Consumer Organisations in the initial phases of complaint escalation. In some instances there is a hope that such action will be sufficient in itself<sup>68</sup>; suppliers may be motivated to respond to consumers' 'threats' of having talked to Consumer Organisations and the possibility of the media becoming involved.

#### **The consumer's experience with the mechanism and process**

There is a view amongst those who used this redress mechanism that businesses tend to respect, or at least respond to, Consumer Organisations<sup>69</sup>. Many feel this is due to the profile these

---

<sup>66</sup> Although our recruitment process was focussed on finding respondents who had experienced individual court proceedings, ADR or collective redress, it became clear during the interviews that we also had consumers in the sample with experience of other redress mechanisms. We have included feedback on their experiences in the report since it provides valuable insight and context. In the case of consumer organisations the most common consumer experience involved an initial approach, often leading to the eventual use of another redress mechanism

<sup>67</sup> *"I didn't have much knowledge of complaint handling before, but of course I have watched "Plus" and got much information from there." (SE)*

<sup>68</sup> *"I wrote a letter to Test Achat, for provocation. I don't expect anything from them, but use it as a means to have some pressure." (BE)*

<sup>69</sup> *"The lawyer from the consumer association made his voice heard effectively; previously they did not even listen to us." (IT)*

organisations have in the media; the fact that a case brought to the media's attention could damage a corporation's image is something consumers find to be a real strength of this route.

Consumers were also positive about the ease of dealing with Consumer Organisations, the support and expert advice they received and, in some instances, they were surprised with the high level of direct support and involvement offered to them.

### **The Consumer's level of satisfaction with the outcome**

Whilst satisfaction with the outcomes achieved via Consumer Organisations was not universal (there are instances of unmet expectations and unsatisfactory outcomes), many consumers were extremely satisfied.

#### **5.2.4. Alternative Dispute Resolution (ADR)**

This mechanism was often described as 'mediation' and, where an 'ombudsman' had been involved, the consumer tended to use this term to describe the mechanism. In many cases, the use of ADR was preceded by the involvement of and based on a recommendation from a Consumer Organisation. In some instances consumers view their use of the two mechanisms as a single process.

### **The consumer's reasons for selecting this mechanism**

The most frequently identified rationale for and benefit of using ADR is that it involves an 'unbiased' third party in the process. The expectation is that this will lead to a fair and equitable outcome (and one which will be favourable to the consumer).

Using ADR also has the benefit of feeling less aggressive to the supplier, less intimidating for the consumer and cheaper than an Individual Court Action. Where consumers felt the cost of the product or service involved in the complaint was relatively low, this mechanism was often felt to be ideal.

### **The consumer's experience with the mechanism and process**

Most consumers who chose this approach in dealing with their complaint recalled an uncomplicated and transparent process, where much support and advice was provided (such examples being quoted in EL, MT, PL, PT, and NL). However, consumers in some Member States (including FR, PL, SL, IE) found initiating the process relatively difficult, particularly when trying to engage the services of a mediator.

The fact the entire process is handled out of court was seen as a positive benefit for many. The resultant simple and fast process was compared very favourably with the perceived long and slow process that formal legal proceedings would entail. A notable exception to this view came from consumers in the UK who felt that ADR was not as quick or simple as they would have liked.

Some consumers who had used ADR would be less inclined to make use of the mechanism to address any future unresolved complaints. Because it is voluntary, requiring both the supplier and consumer to agree to engage with the process, some consumers found that the supplier in their case chose not to take part in this process<sup>70</sup>. Clearly this negates any other benefits ADR offers. Examples of this were found in SL, PL, DE, AT, CZ, CY and SI.

### **The Consumer's level of satisfaction with the outcome**

A positive result was achieved by many insofar as the complaint was addressed by the supplier (examples were quoted by consumers from MT, PL, PT, NL, HU, SL, ES). However, some were unhappy, even where an outcome was achieved, because 'full' compensation was not always awarded. Others (notably in DK, FR) were critical of the protracted of the arbitration process.

The cost of the process also has an impact on satisfaction levels. Some consumers in UK and AT were disappointed with the costs involved in engaging this mechanism. However, some in CZ and BG were pleased with the "*minimal*" costs involved in their disputes.

---

<sup>70</sup> *"The Agency is right next to the store, but he didn't show up at the first meeting. I traveled to Pernik especially for the meeting.... Total loss of time."* (BG)



### 5.2.5. Collective Alternative Dispute Resolution (CADR)<sup>71</sup>

A small number of consumers had experience of using CADR mechanisms, with instances mentioned in interviews from HU, BG, DE, PL NL, ES, SI and FR.

#### **The consumer's reasons for selecting this mechanism**

Those consumers who had used CADR were mainly referred to the mechanism via a Consumer Organisation. In some instances a CADR procedure was already on-going. In other instances the Consumer Organisation was willing to help the consumer implement a procedure. Generally a mediator took control of the process, except in ES where consumers who had been through similar experiences and were familiar to one another elected a group leader who took control of the complaints process.

#### **The consumer's experience with the mechanism and process**

Overall, those who had experienced CADR viewed it very positively. Since they were not required to be actively involved in the process to any great extent, consumers tended to describe the experience as easy. However, in NL, the lack of personal feedback and the lack of control over the procedure had a somewhat negative effect on the overall experience. Consumers in FR, NL and ES in particular found reassurance from the fact that there were other complainants taking part in the process at the same time. The fact other complainants were involved was believed to have exerted pressure on the suppliers in resolving the matter, as the numbers of complainants involved indicated a clear case against the supplier. Finally, in NL and ES, the fact that the cost of the process was very low (or cost free) was identified as a positive benefit.

#### **The Consumer's level of satisfaction with the outcome**

---

<sup>71</sup> Although our recruitment process was focussed on finding respondents who had experienced individual court proceedings, ADR or collective redress, it became clear during the interviews that we also had consumers in the sample with experience of other redress mechanisms. We have included feedback on their experiences in the report since it provides valuable insight and context.

Whilst reaching a result may have taken longer than some consumers expected (examples came from DK, SI and NL), most consumers were satisfied with the overall process and the result achieved (example from DK, SI, HU, ES.)

A few (primarily in France) were dissatisfied with the level of compensation they received.

#### **5.2.6. Collective Court Action**

A small number of consumers had made use of a Collective Court Action in order to seek redress (examples came from PT, DK, AT, EL, NL, ES). This will be, in part, due to the fact that this mechanism is unavailable to consumers in some Member States (see section 2). The phrase 'class action' was also used by consumers to describe this type of redress mechanism.

##### **The consumer's reasons for selecting this mechanism**

In most instances consumers became aware of a collective court action against a supplier via Consumers Organisations. In these instances they saw clear benefits in joining the action, since the time and effort they would need to put in were far less than if they had taken individual action. In one instance an Austrian consumer was informed of a collective court action suit by an advisor at the financial institution against which they were making the claim. The final instance involved a Danish consumer who implemented the collective court action suit himself, after discovering that no other complaints had been made against the financial institution involved. He then found that other complainants contacted him once they heard he was implementing a case against the financial institution, the details of which were reported by a newspaper.

##### **The consumers' experience with the mechanism and process**

In all instances, the consumers who used this mechanism found it a positive experience. They appreciated the ease of involvement in and, in the case of the Danish respondent, implementation of the process. The involvement of legal experts who managed the entire process and

the legally binding nature of the outcome were also welcomed (in comparison with a collective arbitration process). Finally, the fact that the costs of litigation were shared added to the overall positive experience.

### **The Consumer's level of satisfaction with the outcome**

All the cases covered in the study are still pending so it is not possible to comment on consumers' views of the outcome.

### **5.3. Post experience reactions**

The most consistent consumer reaction at the completion of a process of consumer redress is relief that it is over. This feeling is experienced regardless of whether the outcome of the process was negative or positive from the consumer's perspective.

For many, the process had both an emotional and a practical cost (in terms of money and time) whilst it was going on. So, although there is a great deal of positive feeling about the availability of redress mechanisms and the legislative protection of consumer rights, many are left feeling ambivalent about consumer redress. Again these feelings are largely independent of the outcome of the process.

In general, consumers tended to have a more negative view where individual court proceedings had been involved. This was largely a result of the costly, time consuming and even arduous processes involved.

Those who had used 'out of court' mechanisms were positive about the ease and speed with which the process moved forward, the limited costs involved and low level of involvement required from the individual. In some instances, it was clear that the almost complete lack of involvement required from consumers was the most positive element of experience.

### **5.4. Cross border and on-line experiences**

We have already discussed the low levels of knowledge amongst consumers about redress mechanisms and how to access them. This

issue is particularly pronounced in cross-border purchase contexts.<sup>72</sup> It would not be over-stating the case to say that many of the consumers we spoke to would believe it is 'almost impossible' to seek redress in relation to cross-border purchases.

Similar concerns and beliefs exist around purchases made on-line, with the situation being most extreme where the two (on-line and cross-border) are combined.

There were many consumers who had made purchases either cross-border and / or online (examples were found in countries including MT, CZ, RO, ES, and LT), who had experienced problems with their purchases and had not complained to the supplier. Even where an initial complaint had been lodged with the supplier, consumers had not taken the matter further where they had received an unsatisfactory response. This is true of some who have used redress mechanisms in a domestic context. When pressed to identify the main barriers to seeking cross-border redress, consumers identified three main issues:

- Being unable to have direct access to the supplier
- Language barriers<sup>73</sup>
- Differences in Member State legislation

Many consumers are not aware that consumer rights protection applies to purchases made outside their home country and over the internet. A number expressed the concern that they might have to return to the country of purchase in order to seek redress.

As a result only a very small number of our respondents had experience of cross-border redress mechanisms. Where such mechanisms had been employed, the involvement of the European Consumer Centres ('the ECC') in the case was a common theme and

---

<sup>72</sup> "I did not know where I should turn to. I have heard that there is some kind of place where if I buy shoes from abroad, then it is possible to get some kind of after sales repairs or something, but I could not find any information about it and then I sat there with my anger." (EE)

<sup>73</sup> "I called the service number in the Netherlands but could not understand a word since nobody spoke English." (DE)

consumers (RO, MT, ES) commented positively on the impact of their involvement on the redress process<sup>74</sup>.

---

<sup>74</sup> *I knew about the Consumer Protection organisation from Romania, but I thought its competences were domestic only. So I searched the Consumer Protection of France and I found ECC France...who advised me to contact Romanian ECC. I forwarded the message sent the first time to France and explained to them once again what the problem was, and they answered me very quickly. They forwarded my complaint to France, who also responded very quickly.” (RO)*

## 6. Discussing the concept of 'Consumer Redress' in detail: the consumers' perspective

In this section we discuss consumers' **perceptions** of each of the redress mechanisms; the findings are based on the comments of all those interviewed.

***Whilst conceptual knowledge on consumer redress exists to varying degrees, detailed knowledge on mechanisms available and the related processes is generally low***

### 6.1. General awareness of rights and redress

Overall, consumers have a broad awareness that they have rights, as consumers, including the right to seek redress. However, certain historical factors (e.g. the lowered expectations of those living in ex-communist states) can limit how far the consumer perceives these rights of redress to extend. When considering the right to redress, consumers tend to think in terms of processes designed to "re-establish justice in a case", "to punish those who did wrong", or "to correct a situation in favour of a consumer". Across all Member States there is a marked lack of knowledge about where to start, whom to contact and where to seek information if redress is required, although this is more pronounced in Eastern Europe than in the Nordic or Western Member States.

Perceptions in some Eastern European Member States (for example LV, RO, BG, HU and ES) are that consumers rights extend only so far as returning obviously defective goods for compensation<sup>75</sup>. Inevitably, those who hold such views tend to feel less protected as consumers than those with a wider view of their rights. For consumers in some of newer Member States (including BG, MT and EE) membership of the EU has made them more aware of their consumer rights and, as a result, more positive about the EU in general.

---

<sup>75</sup> "I don't know of any other mechanisms, except taking the product in my hands and returning to the place of purchase. Only after that I would look in Google, if no actions would be taken in the shop." (LV)

Consumers in the longer established, Western European Member States tend to have a far better understanding of the extent to which they are protected as consumers. The highest levels of awareness were encountered in the Nordic states and in the UK.

In some Member States (including SE, BE, GE, NL and AT) consumers mention cultural factors which lead people to seek amicable solutions, rather than making recourse to third party consumer redress solutions. Formal legal processes, in particular, are seen very much as a last resort to be avoided if at all possible. As a result, these consumers indicate a strong preference for out-of-court mechanisms which are perceived as "*less aggressive*".

Beyond the basic existence of consumer rights and that fact that redress is (or should be) available, detailed knowledge and understanding of the various redress mechanisms available and the processes involved is extremely limited. It is surprising that this is the case even amongst a research sample including those who, having been involved in seeking and obtaining redress, could be expected to have the highest levels of knowledge.

Most consumers would know that some form of formal, legal redress was available through the courts system. Beyond this knowledge is, at best, patchy and tends to be sourced primarily from the media. In particular "*consumer watchdog*" type programming featured on TV appears to be popular in most of the Member States. In IT, SE, DK, NL, UK, BG, LV, SI, and RO in particular television is frequently cited as a key source of knowledge, information and even inspiration. In Slovenia, a base level of awareness of consumer rights has existed since the communist era, due to the proximity of the country to AT and IT. Slovenians "*had access to foreign TV and radio programmes and were able to travel more or less freely.*"

## **6.2. Perceptions of redress mechanisms and processes**

When introduced to the full range of redress mechanisms available, consumers tend not to see them as options between which they might choose. Rather, the mechanisms are perceived as being a series of discrete mechanisms, some suited to consumers, some suited to companies and organisations.

When considering the full range of redress mechanisms consumer in a number of Member States (including BE, CZ, BG, SE, AT, PL, LV, PT, FR and UK), questioned whether these were all available in their own countries.

In the majority of cases, the individual mechanisms are unfamiliar to consumers. As noted, the concept of **judicial processes** is widely known and, for a number of respondents in some markets (including CY, EE, PL, ES, SI, BG, IE, IT, BE), **Consumer Organisations** and **Public Authorities** are familiar concepts.

Where awareness of mechanisms other than those mentioned above exists (e.g. DK, RO, CZ, HU, and UK) it is mainly limited to those who have employed the mechanism and to instances where big cases are highlighted in the media. Awareness of **collective redress mechanisms**, for example, is to a large degree derived from coverage in the media.

Many respondents pointed out that they see Consumer Organisations and Public Authorities as information providers rather than direct vehicles for obtaining redress.

Some consumers associate specific mechanisms with specific sectors and targets, sometimes unrelated to consumer redress. For example:

- ADR, often referred to by respondents as **arbitration** or **mediation**, tends to be associated in some markets with industrial relations (for example in UK) rather than consumer product purchasing
- **Individual court action** tends to be associated with cases involving large corporations or consumer cases where high levels of damages are anticipated
- **Collective redress** mechanisms (both court and CADR) are felt to be suited to high profile events such as air or rail disasters
- For some consumers (for example, in EL and MT) ADR is suitable for lower cost consumer cases or those cases with a limited impact on the individual

With regards to **cross-border and online purchases** (the latter often being a spontaneous association with the former), most



consumers have very low level of knowledge about consumer protection. Many assume consumers have no protection in cross-border purchases; there is no awareness as to which authority or organisation could protect consumers in such cases. Many consumers, in particular those in MT, CZ, PL, SP, LT, and DE found, as discussed earlier, the concept of complaints or redress in cross-border (and online) contexts difficult to imagine for a number of reasons:

- language barriers in addressing complaints to foreign suppliers
- which body, if any, protects their rights in cross border and online purchases?
- how they initiate the process of complaining and seeking redress i.e. who exactly would they speak to – supplier, organisation, authority?
- which Member State's consumer legislation applies – the buyer's or the seller's?

### **6.3 Desirable characteristics of redress mechanisms**

From the views expressed by consumers during the discussions some clear patterns emerge about what the characteristics of an ideal consumer redress mechanism would be. Whilst these views can be moderated by the type of product or service purchase involved and, to some extent, by the experiences of the individual consumer, there is a high degree of consistency about the key characteristics. In general, consumers would prefer mechanisms which (in broad order of importance):

- Are as low cost as possible
- Resolve the issue as quickly as possible
- Do not involve them in extensive work or require them to invest significant amounts of time
- Provide them with the most satisfactory level of compensation
- Do not expose them to uncomfortable or distressing experiences
- Are simple and straightforward to understand
- Involve qualified, expert professionals in the process
- Are demonstrably fair and fully transparent.

#### 6.4. Initial reactions to specific redress mechanisms

As noted, consumers have varying (mostly low) levels of awareness of the mechanisms available, apart from judicial processes. The details of where each mechanism is more or less well known are summarised below. The mechanisms are ranked by level of awareness at an overall EU level (from highest to lowest awareness):

- **Individual Court Proceedings** (known in all Member States): Perceived as being costly (in all Member States), as involving lengthy processes (in PT, LT, HU, and IT), being bureaucratic (in CZ, EE, LV, and RO) and in some instances corrupt and ambiguous. However, it produces more 'powerful' decisions which are enforceable and legally binding;
- **Consumer Organisations** (known in most Member States, including FR, EL, LU, BE, IT, EE, PL, IE, PT, ES, SI, NL, SE, DK, and SK): Perceived as being relatively easy to access, 'on the side' of the consumer and a good start point especially for information and assistance on redress;
- **Public Authorities** (known in ES, SI, LT, HU, UK, FR and RO): On the positive side, consumers perceive these as powerful, trusted bodies (especially in RO, and HU), on the negative side, their decisions are not seen as binding;
- **Alternative Dispute Resolution** (not widely known; isolated awareness apart from ES, SE, and CZ): also referred to as 'mediators' (DK, RO) and 'ombudsmen' (IE). Although limited awareness exists (in part because the mechanism is not present in some Member States) many are positively inclined to this mechanism as an out of court solution (e.g. in DK, BE, IT, and CZ).<sup>76</sup>
- **Collective redress mechanisms**, including Collective Court Action and Collective Alternative Dispute Resolution (CADR) (low levels of awareness amongst most consumers in all Member States): Awareness of these mechanisms is often driven by the media,

---

<sup>76</sup> "It'd be better than a standard court. Going to court is no fun: if it's at all possible, it's better to avoid it." (CZ)

"Everything that is out-of-court is better." (CZ)

either through "watchdog" type programming or through highly visible cases or even through movies (e.g. Erin Brockovich<sup>77</sup>);

- **Small Claims Procedures or Court:** (Unfamiliar to almost all consumers in all Member States): Not well understood, some limited awareness in IE and PT. In IT Justices of the Peace ("*giudici di pace*") are perceived to fulfil this role.

## 6.5. Language and associations

The language used in the descriptions of the consumer redress was felt to be complex and unfamiliar. In particular the word 'redress' means relatively little to many consumers and a number (particularly in UK, and BG) tended to feel more comfortable with the term 'compensation'. Clearly this is driven, in part, by the consumer's perception of their desired outcome, rather than simply being an issue of semantics.

Belgian consumers claimed there was not a direct translation for the word 'redress' in French or Dutch<sup>78</sup> and Polish consumers felt the descriptors used in the show cards to describe the various redress mechanisms were complicated, whilst Slovakian consumers noted that the word 'mediation' in their local language was similar to the word for 'media broadcasting' and, as a result, was a potential source of confusion.

When considering the concept of consumer redress, some individuals relate more readily to the positive aspects of the concept; "*feeling motivated*" (CZ) or "*someone protecting me*" (FI) and "*supporting me*" (EL). Others tend to focus more readily with the more negative aspects of the concept "*compensation for my emotional stress*" (CZ) and "*time which could have been spent with family, instead of fighting for my rights.*" (LV)<sup>79</sup>

<sup>77</sup> "I don't think this is a normal procedure in Sweden, it is considerably more common in the US. We Swedes don't do this."(SE)

"The film about Erin Brockovich comes to mind... but cases of this sort happen only in America" (IT)

<sup>78</sup> 'Consumentenvergoeding' and 'recours de consommateurs' respectively

<sup>79</sup> "How much money I could earn, how many errands run, instead of complaining, solving problematic issues." (LV)

For some, consumer redress is associated with an action rather than a set of procedures and mechanisms to protect the consumer. For example some consumers in BG and LV perceive consumer redress as *"suppliers refunding money"* or *"suppliers replacing faulty goods"*.<sup>80</sup> For a small number of consumers, the concept is associated more negatively with *"defective products"*<sup>81</sup> or *"receiving only part of one's money back."*

For others, consumer redress is associated with a specific proceeding or mechanism i.e., **judicial proceedings**<sup>82</sup> (examples cited by consumers in BE, IT, CY), and **Public Authorities** (examples cited by consumers in SE, HU, CY).

Only a small number of consumers spontaneously associate the concept with the protection of consumer rights (in BG, HU). They see consumer redress as providing consumers with a *"certain guarantee of product and service quality."* (BG)

As might be expected, experienced consumers tend to have a better understanding of the process of consumer redress than the inexperienced. This shows itself, particularly in:

- their relative confidence with the process of seeking redress (specifically mentioned in BE, BG)
- their understanding of and comfort with the concept and the mechanisms and the processes they employed
- their relative understanding and comfort with the language associated with consumer redress

---

<sup>80</sup> *"Redress is to be compensated with something – it could be a service, equal to a certain amount. Amount given to compensate for something"* (BG)

*"If the product has been faulty, [replacement with] for example the same boots – the consumers' institution achieves that compensation is returned to the client."* (LV)

<sup>81</sup> *"It sounds to me like a negative term. It brings to mind something negative e.g. a defective product"* (EL)

<sup>82</sup> *"Consumer redress means going to court.... a consumer who complains and has to resort to going to court."* (CY)

*"With consumer redress I think Consumer Association... a complaint. But also through a lawyer."* (CY)

A number of respondents referred specifically to the frustration they have been experiencing as a result of their lack of knowledge about consumer redress<sup>83</sup> (examples came from BE, EL, and RO). So, an increased awareness and knowledge would, they feel, alleviate some of the stress associated with seeking redress and empower consumers in taking action<sup>84</sup>.

---

<sup>83</sup> "I don't know anything about this matter, so I just turned to my lawyer for advice. Since I don't know anything about this, this only evokes frustration and the feeling of a waste of time." (BE)

<sup>84</sup> "Now you've told me how many possibilities there are I will try to go further. I'll try to contact a consumer organisation, and they will tell me what I should do! It's been really motivating for me to learn all this; now I will start to mail them again. People should know this stuff." (CZ)

## 7. Discussing redress mechanisms in the European Union

***Awareness and experiences of the redress mechanisms is highest for court proceedings, Consumer Organisations and Public Authorities. This is less so for the other mechanisms and detailed knowledge of the respective processes is relatively low across the Member States***

### 7.1. Overall insights by consumer type and Member State

Having been presented with the full range of redress mechanisms available (done using show cards during the interviews; these briefly described each mechanism) most consumers began to rank them. Such ranking was usually based either on an individual's likelihood to use the mechanism or on its suitability to a specific case in which the consumer was or had been involved.

The resultant 'rankings' vary between Member States and consumer types. However, the criteria factored into the evaluation tended to be relatively consistent and consisted of the following factors (no significance is attached to the order below):

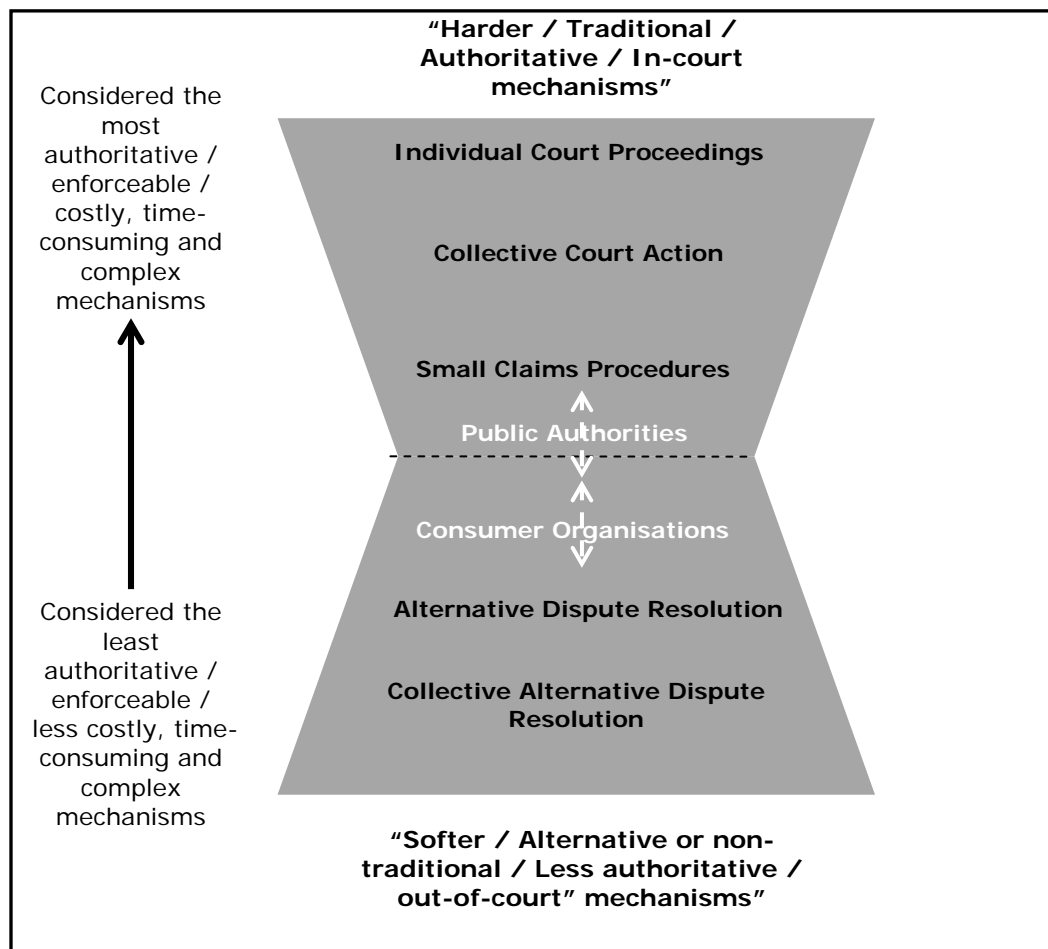
- perceived authority / enforceability of the mechanism, e.g. judicial perceived as being the highest authority and most enforceable outcome whilst mediation and arbitration perceived as being conciliatory so the outcomes are not at all or much less enforceable
- costs involved in proceeding with the mechanism e.g. legal fees and the time invested
- duration of the process e.g. the impact of red tape or formal procedures that have to be followed
- perceived complexity of the process and the level of paperwork, i.e. the procedures involved, e.g. litigation and case preparation vs. submission of proof of purchase
- perceived complexity of the case, i.e. large damages or criminal behaviour involved vs. product defects and ineffective services

A combination of these factors provides us with a continuum on which the seven mechanisms can be ranked or positioned. The extremes on this continuum are:

- "harder / traditional / authoritative / in-court mechanisms"
- "softer / alternative or non-traditional / less authoritative / out-of-court mechanisms".

The following diagram illustrates how the various redress mechanisms are positioned on this scale:

**Diagram 2: Perceptions of Consumer Redress Mechanisms**

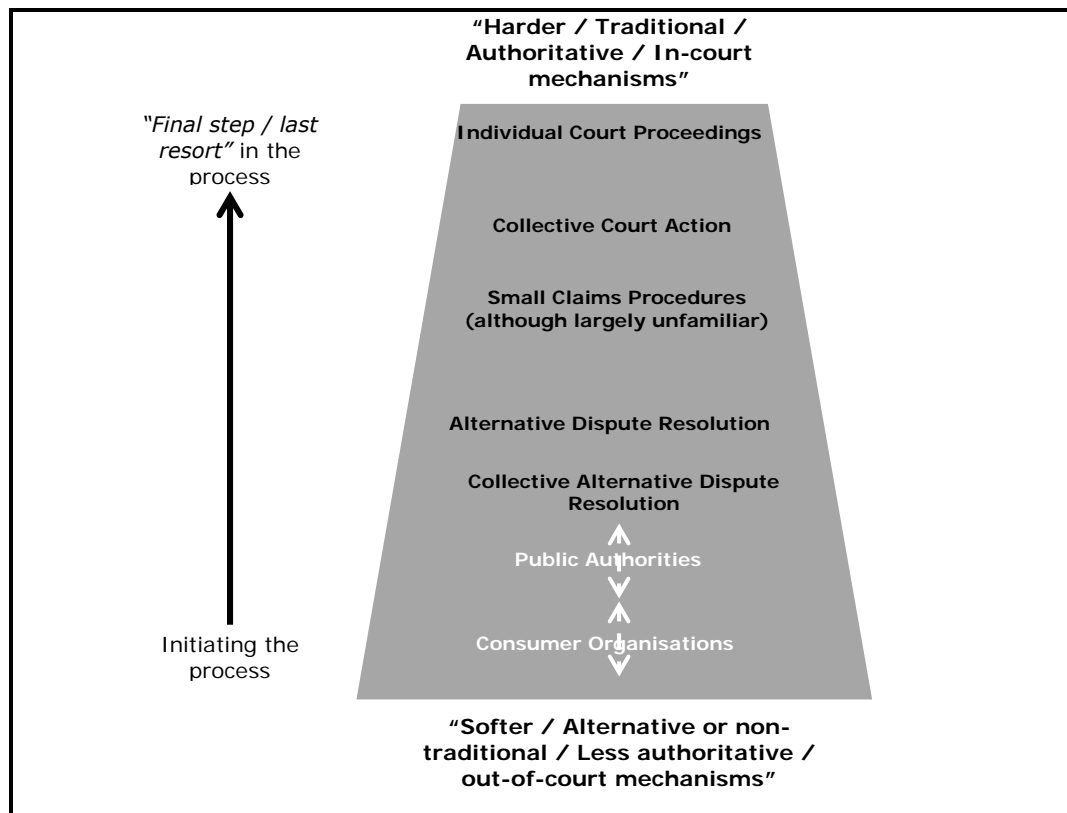


**Diagram 2 Explanation:** At the more 'severe' end of the scale, mechanisms are perceived as more authoritative / enforceable, more costly and more complex in terms of the cases that are dealt with. The processes involved are also perceived as more lengthy. The most severe redress mechanism is generally perceived to be **Individual Court Proceedings**. At the less severe end of the scale are the mechanisms which are less authoritative / enforceable, whilst being

cheaper, less time consuming and less demanding on the individual consumers. The extreme of this end of the scale is occupied by **CADR**. Public Authorities and Consumer Organisations tend to occupy the middle ground in this model. However, as a result of the range of experiences consumers have with these bodies their positions are variable.

Were they in a position to select from all available redress mechanisms most consumers imagine that they would start the process with a "softer" mechanism. Only if this failed to provide the outcome they required would they progress to employing some of the "harder", more "enforceable" mechanisms.

**Diagram 3: Order in which consumers would consider using various Redress Mechanisms**



**Diagram 3 Explanation:** Many consumers, even before being made aware of the full range of redress mechanisms, stated that approaching Consumer Organisations or Public Authorities would be their first step in the process (especially mentioned in EE, UK, DE, ES,



NL, SI, PT, and CZ) either to gather information or ask advice on the options available to them. Once the full range of mechanisms was offered them, they still felt this would be an appropriate starting point.

Thereafter, consumers indicate that they would be more likely to employ one or more of the 'out of court' routes initially, hoping to avoid the costs and demands of the more 'severe' redress mechanisms.

As already noted, when making the decision on which mechanism to employ, consumers tend to evaluate the mechanisms on a 'cost vs. benefit' basis (albeit this is often informal and sub-conscious).

### 7.1.1. Differences by consumer type and Member State

#### Experience

Experienced consumers tend to express higher levels of confidence about the theoretical prospect of adopting some of the "harder" mechanisms such as **judicial processes**<sup>85</sup>. Some experienced consumers (examples occurred in AT, IT, CZ, DE, SE, EE, LU and ES) even expressed a preference for such mechanisms since the rulings are more enforceable vs. some of the softer mechanisms. This is of particular importance in cases involving significant potential damages<sup>86</sup>. In some instances, consumers see judicial processes as the only enforceable and, therefore, fully effective mechanism open to them.

Less experienced consumers tend to indicate a preference for the "softer" mechanisms, such as approaching a **Consumer Organisation** for assistance and even **CADR**<sup>87</sup>. These approaches have the advantage of seeming less intimidating than courts and formal legal processes. In the instance of CADR the process appears to be made

---

<sup>85</sup> "If I knew I had support and it was an organised effort I would join in a collective judicial processes." (CY)

<sup>86</sup> "We consulted a lawyer in that case because the amount involved was very high. I find the lawyer to be the best means if you hope to have a fair result." (LU)

<sup>87</sup> "I believe the collective ADR would be easier and less time consuming and, for sure, collective cases are easier." (CY)

less stressful by the involvement of other 'injured parties' so that 'burden of the fight' is shared.

More experienced consumers, who also tend to be more knowledgeable, tend to be open to the concept of having a wider choice of redress mechanisms available to them. Less knowledgeable consumers can display a level of resistance to being presented with "*too many*" mechanisms. Too much choice could, they feel, add to their confusion and uncertainty in an already unfamiliar situation.

### Local country issues

The cultural and sociological factors of a country's society also influence the preferences for mechanisms in the various Member States. As an example, consumers in SE and HU indicate a preference for individual approaches such as **judicial proceedings** and approaching **Public Authorities** and **Consumer Organisations** for assistance, rather than using collective redress mechanisms.

Consumers in Member States such as BE and NL indicated a preference for collective mechanisms along with consumers from the Eastern European states including CZ, BG, and LV. In the former case the preference is based on societal pressures<sup>88</sup>, in the latter it is based in low levels of knowledgeable about mechanisms and redress in general. In some Member States (including FR, CY, SK, and EL) consumers indicate a resistance to taking strong action against suppliers until all 'amicable' routes have been exhausted; the "*softer*" approaches appeal more in this context.

## 7.2. Alternative Dispute Resolution (ADR)

As already noted, awareness of ADR is relatively low across all Member States<sup>89</sup>, although consumers in some Member States are superficially aware that such mechanisms exist on a "*general level*" (e.g. in BG, CZ, and UK, LU). Again, as discussed earlier, this awareness tends to be driven by cases appearing in the media. In many cases such coverage

---

<sup>88</sup> "I think this is a very aggressive approach [Public Authorities], I believe this is not done." (BE)

<sup>89</sup> "Is this some sort of mediation?" (AT)

of arbitration or mediation tends to lead to consumers connecting ADR with large organisations and their employees or sport.<sup>90</sup>

When introduced to the mechanism (or reminded of it) consumers identified a number of areas where they feel their understanding is limited. These included:

- the processes ADR employs,
- the specific roles of the mediator and arbitrators (raised in EL, DK, FR, CZ, LV, and CY),
- the level of 3<sup>rd</sup> party involvement in the process (raised in EL, CZ, LV, and CY)
- the level of independence of these 3<sup>rd</sup> parties from the supplier / organisation (raised in CY, and HU),
- the suitability of this mechanism to consumer cases, particularly where arbitration has been linked to courts, specific industries, such as the construction industry or employee disputes<sup>91</sup> (raised in EL, UK, LU, BE, AT, and EE)
- how to access this mechanism as a consumer (raised in UK, and BE)

There were instances where consumers had used ADR in resolving a complaint but were unaware that this was the case. For example, a UK consumer who had a dry cleaning complaint approached a Consumer Organisation, the Citizen's Advice Bureau (CAB). They then assisted her quest for redress by employing the services of a mediator. However, from the consumer's perspective this was an instance of requesting **a Consumer Organisation to take action**, rather than **ADR**.

---

<sup>90</sup> "The only thing I think of in connection with the word 'arbitration' is football or another sport." (LU)

<sup>91</sup> "This is not for a regular consumer, this is only for large projects and I've heard it's quite expensive..." (BE)

"I know that there is a board of arbitration for employees. A friend of mine is a member of this board. But in relation to consumer redress, I am not familiar with this mechanism." (LU)

"I have heard for this mechanism but for labour and not consumer issues." (EL)

As already noted, in some Member States, the terminology surrounding ADR (mediator, arbitrator, ombudsman) makes it less likely that consumers will recognise the generic term. However, such issues do not impact on views of the mechanism itself.

The fact that the mechanism's title includes the word 'alternative' has an impact on perceptions. For some consumers it implies less cost, time and effort than other mechanisms. This leads them to assume it will be a less demanding, more 'approachable' mechanism (instances encountered in FR, CZ, SK, ES, and HU).

However, for some consumers, the same word can imply a less authoritative and therefore less "enforceable" mechanism. One which is likely to produce outcomes which are "not ensured" (a view mentioned by consumers in AT, IT, PL, HU, EL, and IT) or are based on the two parties reaching a "compromise" rather than the consumer receiving full redress. This would lead some to see ADR as, at best, the first step in the process of seeking redress, to be followed by more aggressive mechanisms if it does not produce the desired outcome.

Other considerations, arising out of a mix of the information provided during the interview and the limited knowledge that some consumers already had, included:

- The word 'arbitration' is associated with judicial processes<sup>92</sup> and is therefore perceived as a costly and lengthy procedure<sup>93</sup>, however, a more enforceable outcome (SE, and EE) than mediation is perceived.
- Consumers in some Member States (CY, IT, NL and UK) felt this process was more suited to cases where private individuals or smaller businesses are concerned<sup>94</sup> rather than larger organisations ('mediation' is associated by some with civil disputes; divorce, neighbour complaints and complaints via trade organisations).

---

<sup>92</sup> "Mediation seems like a legal process, basically with a lawyer, and if a solution cannot be found then you proceed to court." (CY)

<sup>93</sup> "Arbitration is often very costly for the individual as companies can afford to engage expensive lawyers and then I as individual have nothing to come with." (SE)

<sup>94</sup> "It is fine when it involves individuals willing to reach an agreement; it's unlikely to happen with big companies." (IT)

- However, in other Member States (DE, CZ, and SK), the reverse was true<sup>95</sup>. In this case the perception comes from associations made with specific words e.g. 'arbitration'.
- A few consumers (mentioned in SK) saw ADR as a potentially valuable tool in cross-border situations, with a third party mediating between the two parties involved.
- Where the company involved is a large one, some consumers feel they might 'come of worst' when going up against the "*might of the organisation*" (mentioned in SE, and DE).
- In some Member States (EL, DE, and UK) consumers assume that ADR is a lengthy procedure, sharing this characteristic with individual court processes, without offering the benefits of that mechanism (professional legal support, binding outcome etc.)

Many of the other points made in discussions about ADR reflected the benefits and drawbacks identified by those who had used the mechanism. These points are discussed in section 4 of the report but are reiterated here for clarity:

- Third party involvement in the process leads to its being perceived as an unbiased, supportive and action oriented mechanism
- One of the weaknesses of the approach is in the perception that it is a less authoritative approach: the supplier's involvement in the process is voluntary; the third party can only make recommendations not enforce rulings; to succeed, the approach requires agreement and, to some extent, compromise which some consumers do not want<sup>96</sup>.

---

<sup>95</sup> "I think of arbitration as something that is needed in disputes between large companies like banks. I would hope that normal people could reach an agreement face-to-face without involving a third person."(CZ)

<sup>96</sup> "I cannot imagine that mediation is useful. Take my case with the car, for example. I do not want to negotiate with the mechanic or anyone else. I want a court judgment." (LU)

### 7.3. Collective Alternative Dispute Resolution (CADR)

Like ADR, this mechanism was unfamiliar to the majority of consumers across most Member States<sup>97</sup>. Where there is familiarity, it tends to be driven by high profile cases covered in the media.

CADR shares many of the characteristics identified by consumers when discussing ADR:

- It is an out-of-court process and so less intimidating for the inexperienced
- There is third party involvement making things more equitable
- It lacks the 'authority' of a formal legal approach<sup>98</sup>
- It could be a lengthy procedure; probably even longer than ADR since there are more people involved

However, many consumers found the concept of CADR far more appealing than ADR. They felt that having numbers of individuals involved in a single process would lead to a stronger case and an increased likelihood of a positive outcome (a point made by consumers from BE, SE AT, IT, BG, CZ, PL, and HU).

Reactions to collective redress mechanisms, like CADR, can be influenced by cultural differences. Consumers in some Member States (including IT, EE, and CZ) find the idea of a collective approach 'at odds' with how they conduct themselves in society; the mechanism could, therefore, 'feel a little foreign'. Consumers from other Member States (particularly DK and FI) express a high level of comfort with collective redress mechanisms, attributing this to their "*unionised background.*"

There were also some specific concerns and questions related to the nature of this redress mechanism:

---

<sup>97</sup>"Those other mechanisms, especially concerning collective complaints, are for me like a topic from another planet, something like 'let's get together behind the shop and start to design some kind of a case'."(EE)

<sup>98</sup>"It only makes sense if they have the authority to find a solution and to impose their resolutions." (PT)

- How would one go about organising the other claimants for a collective approach?
- Would the individual have sufficient control over the process?
- Would settlements be as high as those that might be achieved via individual redress mechanisms?

Due to its being a collective mechanism, many felt it would be most suitable for cases involving the benefits to broader society would (mentioned by BG consumers), in employer disputes (LV), in service provider disputes (HU) and in smaller value cases (BE, HU, and AT).

Some consumers saw CADR as an attractive mechanism for cross-border or internet-based complaints. (Specific mentions in UK and IT).

#### 7.4. Requesting a Consumer Organisation to take action

This mechanism has relatively high levels of awareness amongst consumers in most Member States. Many consumers know of the existence of specific organisations within their home countries, including such bodies as the CAB<sup>99</sup> in the UK, Consumentenbond<sup>100</sup> in NL, NCAP<sup>101</sup> in RO; PTAC<sup>102</sup> in LV and DECO<sup>103</sup> in PT.

Such bodies are characterised as "*a spokesperson for the consumer*" (NL) and, for the most part, are viewed positively, as a reliable and trusted source of information and advice<sup>104</sup>. However, many consumers view them as 'a catalyst' rather than being an active participant in a consumer redress action<sup>105</sup> (a view expressed in FR, EE, DE, DK, UK and NL). In some instances consumers believe that some form of membership is required in order to receive the support and advice these organisations can offer mentioned in (NL, BE).

<sup>99</sup> Citizens Advice Bureau

<sup>100</sup> Consumer Protection Organisation

<sup>101</sup> National Agency of Consumer Protection

<sup>102</sup> Consumer Rights Protection Centre

<sup>103</sup> A consumer protection agency

<sup>104</sup> "*I have used PTAC. I trust that PTAC will always recommend the best solution for what actions shall I take, which of possible mechanisms I shall use. If, for example, PTAC would say that I must turn to court, I would do so without thinking twice.*" (LV)

<sup>105</sup> "*This is a possibility if you're a member, but I think they only undertake action in case there are many consumers involved. For one individual they won't do a great effort.*" (BE)

Consumer organisations are expected to be easy to use / access (specific mentions in SE, IT, EE, UK) largely due to them "*being on the side of the consumer*" (a widely held view, expressed, for example, in EL, FR, IT, CZ, EE, LV, DK, NL, SI). This perception leads many consumers to the view that this mechanism is the best suited to most consumer cases across a range of sectors, including home appliances and electrical goods, telecoms and internet services, travel and financial services (comments to this effect were made by consumers in BE, HU, EE, CZ NL).

As a result of the media's influence in driving awareness of the mechanism and, in some instances, playing a role in achieving successful outcomes, consumers tend to view this as a powerful option; the threat of finding his company or brand receiving negative coverage on nation-wide TV should be a significant driver in getting a supplier to offer an acceptable solution to a complaint.

A number of other positive aspects were identified by consumers, including:

- Since such organisations are entirely consumer focused, the mechanism is expected to be easy to access and approachable, requiring little effort and time from consumers<sup>106</sup> (a point made in SE, and AT).
- Accessing these organisations involves no or little cost (SK, IT, BG, CZ, HU)
- They are able to provide expert advice on consumer legislation (CZ, DK).

On the negative side:

- Due to their independence from government and industry, they tend to be perceived as having little authority and being unable to enforce rulings<sup>107</sup> (SE, AT, EE).
- This is further exacerbated by the conciliatory approach some feel they take which can feel a little like a compromise on the

---

<sup>106</sup> "*This is the simplest solution; you could just send an e-mail.*" (SE)

<sup>107</sup> "*They have no juridical power, so you have to go to another instance if you get no help here.*" (SE)



consumer's part, making some consumers sceptical of the value these organisations really provide<sup>108</sup> (SK and DE).

### 7.5. Possibility of complaining to a Public Authority

Like approaching a consumer organisation, this mechanism has high levels of awareness amongst most of the consumers in many Member States, with many able to provide names of authorities (FR is a significant exception to this, with very low levels of awareness).

The following Public Authority bodies were referred to specifically:

- SK: State Commerce Inspection,
- ES: Municipal Office for Consumer Information.
- CZ: Czech Trade Inspectorate
- UK: Consumer Direct; Trading Standards
- BG: Federation for Consumer Protection
- MT: Consumer Division
- DE: Öffentlichen Rechtsauskunft ÖRA
- SE: Konsument Göteborg
- ES: Municipal Office for Consumer Information
- RO: National Agency of Consumer Protection

However, a level of confusion exists with some consumers struggling to distinguish between Consumer Organisations and Public Authorities<sup>109</sup>. Many consumers feel that what they offer is very similar (comments made in LT, SK, ES, UK, LV, and IT).

The views expressed about Public Authorities tend to be highly diverse, reflecting both the confusion with Consumer Organisations and the differing views towards governments and governmental bodies. This diversity of views makes it difficult to make definitive statements about how consumers view this redress mechanism.

---

<sup>108</sup> *"This is just a group of idealists handling this. Where is then the power to carry through things?" (SE)*

<sup>109</sup> *"For example for a problem with Electrabel you couldn't address public services, since Electrabel is also public..." (BE)*  
*"I wouldn't know which institution to turn to. Maybe the one concerned with taxes?" (LV)*

So, some consumers saw these bodies primarily as providers of advice. Others assumed they would be powerful bodies with the legal and legislative ability to enforce rulings (a view expressed, for example, by consumers in BG, HU, IT, and ES). Yet others saw the Public Authorities as likely to be powerless, inefficient, bureaucratic and, at the most extreme, corrupt<sup>110</sup> (including consumers from IT, FR, EL, BE, DE, CY, RO EE, and BG). In most instances however, these organisations were perceived as having more authority than Consumer Organisations.

Just as views on the likely effectiveness of this redress mechanism varied, so did those on the circumstances in which it would be most appropriate: for some the consumer-focus of these organisations make them ideal for all consumer redress cases; for others, since these are governmental organisations, they are only really suited to handling disputes involving institutions such as the police and publically owned industries (a view expressed in NL, BE, EE and LV).

Those consumers taking the more positive point of view of this redress mechanism saw a number of positive benefits to using this approach. These included:

- As a trustworthy government institution, it feels "safer" for them to approach<sup>111</sup>
- In some instances there is a history of success and consumer support<sup>112</sup>
- The 'threat' of involving a public authority in a disputes might be expected to result in a quick and amicable resolution (a view expressed in HU, and CZ)

On the negative side consumers were concerned that they could struggle to identify the right department for the cases they wished to progress; that slow, inefficient and bureaucratic processes would delay

---

<sup>110</sup> "It makes me think of old-style government offices, bursting with case files, where your file gets lost in the midst of all the others." (IT)

"I don't think this is a solution, public services are not efficient, they tell you rubbish and then don't do anything." (BE)

<sup>111</sup> "Public authorities feel safe since they have existed a long time and they are on my side". (SE)

<sup>112</sup> "This woman from the Consumers' (agency) was with us all the time. We're very happy with her support." (BG)

an outcome or that the complaint will never be followed up or resolved<sup>113</sup>.

## 7.6. Individual Court Proceeding

As already noted, Individual Court Proceedings have high levels of awareness across consumers from all Member States. This is also the mechanism which most polarises opinion and tends to bring out strong emotions in individual consumers.

The positive and negative aspects of using this as a redress mechanism have already been discussed in section 4 but we briefly reiterate the issues here and highlight points raised by those without experience of this mechanism.

On the positive side:

- Individual court proceedings provide a level of expertise and authority that none of the others redress mechanisms are felt to offer
- The enforceability of its decisions is a strong benefit
- Consumers feel they have some understanding of the requirements and the process
- Where the judiciary is positively perceived, the mechanism is felt to be transparent, trustworthy and reliable
- Suppliers and organisations prefer to settle out of court to avoid lengthy litigation processes and potentially larger damages

On the negative side:

- Court proceedings and the associated processes can be quite intimidating, especially to non-experienced, less confident individuals
- They can also be costly, both financially and in terms of time investment
- The process can be protracted, some consumers saying it can take up to 10 years before a result is delivered (a view expressed in IT, and many Eastern European States)

---

<sup>113</sup> "A long time ago the Czech Trade Inspectorate might have been able to help, but nowadays it can't. It's become a toothless organisation; it's lost its function."(CZ)

- The consumer can sometimes feel they are losing control of the process
- The risk of losing against a much more 'powerful' opponent e.g. a large corporation<sup>114</sup>

In the light of these considerations many would see this mechanism as either "*the last resort*"<sup>115</sup> (in FR, BE, SE, AT, EL and most of the Eastern European states) or as restricted to primarily to situations of such seriousness that they could be considered "*criminal cases*"<sup>116</sup> (a view expressed in ES, SE, EE, UK, SK, and HU). The final situation in which this mechanism might be employed is for very high value claims<sup>117</sup> (mentioned in DE, ES, IT, UK, and SE).

The perception that individual court proceedings should be kept as a last resort is reinforced in some instances by perceived 'ROI'<sup>118</sup>. The anticipated financial, time and emotional investments in embarking on this mechanism are high, especially where the outcome is uncertain<sup>119</sup> (a view found in FR, BE, SE, HU, PL).

### 7.7. Small Claims Procedure

Awareness of this mechanism is low in many Member States<sup>120</sup>. Some significant exceptions exist in IE and, to a lesser extent FR, UK, BG, BE, PT and LV. In these countries awareness has been generated by a range of influences including television (especially in FR), university

<sup>114</sup> "You have nothing to come with when there are big companies involved; they are much stronger." (SE)

<sup>115</sup> "This is the last resort, if you cannot come to an agreement other ways." (BE)

<sup>116</sup> "The court is handling serious criminals in magnificent buildings which make you feel very insecure." (SE)

"It would strike me as almost frivolous if I was to go to a lawyer and tell him what my problem is... he might burst out laughing." (IT)

<sup>117</sup> "I could consider this procedure, but then it has to involve much money like house purchases or a boat." (SE)

<sup>118</sup> Return on Investment

<sup>119</sup> "The disadvantage is that it's very expensive and you're still not sure of this and will it have a positive outcome." (BE)

"It is not worth all the trouble, expenses and stress." (PL)

<sup>120</sup> "Proceeding with lawyers is all under one name, isn't it? I did not know that any consumer can make a small claim." (EE)

"I haven't heard of the small claims procedure. I don't know how it's done. I don't know if it exists in Cyprus." (CY)

"Special small claims procedures do not exist in Slovenia." (SI)

studies and the media. In this last instance we encountered a number of examples of consumers reading about cases in other Member States.

In some of these Member States (for example IE, BE, BG, and UK), whilst the mechanism itself was somewhat familiar, the processes involved in accessing and initiating it were largely unknown<sup>121</sup>.

Despite the instances of successful use of this mechanism in the Republic of Ireland and the high levels of awareness, few consumers from the country felt they would be likely to think of this approach in a situation where it might be required. This procedure appears to have a very low profile, even where consumers are aware of it.<sup>122</sup>

In the Member States where we encountered no awareness of this redress mechanism, we found that consumers were attracted to the concept<sup>123</sup>. The reasons for the attraction (put forward by consumers from EL, FR, BE, SE, AT, BG, HU, CZ, SI, UK and ES) included:

- A perceived low cost
- Less complicated proceedings than an Individual Court Proceeding
- An expectation that the process would also be quicker
- The apparent offer of many of the benefits of Individual Court Proceedings but less bureaucratic and intimidating
- The greater level control the consumer has over the process
- For a few, "*the challenge*" (UK) of being in control of a judicial proceeding appeals and excites in itself.<sup>124</sup>

The perceived negatives associated with this mechanism are minimal and concern a need for confidence in one's ability to present oneself in court<sup>125</sup> (mentioned in EL, SE, IT, UK, and HU).

---

<sup>121</sup> "I know nothing about the actual process of using that facility. I'd probably have to make half a dozen phone calls to find out where to go if I did need it." (IE)

<sup>122</sup> "I never heard of anyone using it. I wouldn't have given an awful lot of thought to it." (IE)

<sup>123</sup> "This is interesting! It is a lot cheaper and allows me to personally explain my story." (BE)

<sup>124</sup> "It doesn't seem that daunting... I might quite enjoy it... because I'd enjoy finding out about it and seeing if I could get a resolution." (UK)

## 7.8. Collective Court Action

Awareness of this mechanism is also relatively low. However, like Small Claims Procedures, awareness is driven up in some Member States by media coverage<sup>126</sup> (for example, SE, IT, BG, DK, SI, PL<sup>127</sup>, and UK).

Consumers tend to respond positively to this approach, finding the concept of “*strength in numbers*” particularly attractive, a benefit identified in, amongst other Member States, SE, BE, AT, BG, CZ, RO, UK, PL, FR, EL). With this in place even less experienced or less confident consumers would feel “*protected*” and more able to seek redress<sup>128</sup>.

The involvement of more complainants is understood by consumers to have a number of other benefits:

- Consumers assume the costs will be shared, making this a much lower investment mechanism.
- Those reticent about ‘taking on’ large corporations on their own would feel far more confident with others alongside them.
- There is an anonymity inherent in this mechanism which Greek consumers, in particular, value.

As mentioned above, some consumers saw collective redress, whether Collective Court Action or CADR as an attractive mechanism for cross-border or internet-based complaints. (Specific mentions in UK and IT).

---

<sup>125</sup> “You would need to have some fundamental know-how at least, awareness of the relative laws, know how to behave, because you’re there on your own.” (IT)

<sup>126</sup> “I remember that; the case of Sandi Grubelič and that accident in Kaprun. I know of a case where Land Rovers had a front axle with a factory defect and my friend, who owned a Land Rover, found some 5 or 6 people over the internet who were discussing a class action suit. But I don’t know what happened with that.” (SI)

<sup>127</sup> Although Poland does not have a collective court action mechanism, awareness is driven by the media e.g. films and cases in other countries

<sup>128</sup> “There would be a better chance of success with more people.” (CZ)

“In my moments of deep frustration I thought about emailing Watchdog and seeing how many other people have complained....I calmed down... it’s not life and death, is it.” (UK)

The most obvious perceived challenge, raised by many consumers, right across the study, was that of *"finding the other complainants."* Those consumers without experience of this redress mechanism demonstrated no knowledge of how this aspect of the process might work.<sup>129</sup>

The other concern raised most frequently was that a collective mechanism, whether collective court action or CADR, would reduce the potential value of the settlement to each individual<sup>130</sup>. (A concern voiced in FR, CZ, EE, HU, SK, and SI)

As already noted, views on collective redress mechanisms are influenced by cultural differences, with the processes feeling somewhat alien in certain societies (including IT, EE, and CZ) and intuitively natural in others (particularly the Nordic States).

---

<sup>129</sup> *"[I assume] there has to be some organisation that groups everyone together, gets them all to agree and acts as their representative?" (IT)*

<sup>130</sup> *"I would rather deal with it myself. A class-action suit means more payouts, which means more cost to the supplier. The company would be more willing to pay one person than all of them." (CZ)*

## 8. Testing two hypothetical scenarios of collective consumer redress – consumers' views and reactions

As part of the interview process, respondents were provided with two hypothetical collective consumer redress scenarios: one involving a small value claim - an electricity supplier over-charging 200 000 customers by €5-10 a year; the other involving a high value claim – a two-week package holiday on which 100 consumers get salmonella food poisoning and the travel organiser refuses to reimburse. They were then asked to discuss the issues and consider which redress mechanism they would prefer to adopt in each case<sup>131</sup>.

### 8.1. Key insights

- For most consumers an item value of €5-€10 is not sufficient to seek redress, whether individual or collective. If a complaint directly to the supplier does not yield the desired result most would not feel inclined to pursue the matter further. There was a general sense of apathy in response to the Small Value Claim example.
- A minority of consumers would, however, take the matter further with the small value claim as a "*matter of principle*". Many of these are experienced consumers who have been through a redress process in this sort of situation. Most claim they would only consider acting collectively since the cost benefit ratio is unbalanced otherwise.
- Strong reactions were evoked by the high value claim example, primarily due to the financial investment (both the holiday and subsequent medical costs) involved but to the emotional impact of a holiday being ruined, and the damage to one's health.
- In the case of the high value claim, some consumers (no trend in terms of Member States, region or consumer personality noted here) would be more likely to act individually due to the damages involving their health.
- In both instances (small and high value examples) consumers would be more likely to opt for Collective Redress Mechanisms if offered a choice. However, some indicated a preference for individual claims in response to the high value example. This suggests that, whilst the availability of a single collective redress mechanism (CADR in the small value claim instance, Collective Court Action in the high value claim)

---

<sup>131</sup> Full details of both example cases and the questioning approaches adopted are included in the appendix



would lead to the majority being content, a range of redress mechanisms would be required to ensure all consumers were able to proceed as they desired.

- The majority of consumers would opt for CADR in the small value claim example and for Collective Court Action in the high value example. Whilst they can envisage using either redress mechanism in either scenario, their responses suggest that they would find it preferable to have both available, since each seems best suited to a different type of situation.

## 8.2. Small value claim

### 8.2.1. Initial reactions

The most immediate responses to the small value claim example was one of apathy. The majority of consumers expressed the view that the amount in question (€5 - €10 per year) is too small to merit pursuing any form of complaint or redress process<sup>132</sup> (a view expressed especially clearly in IT, CZ, EE, DE, CY, RO and DK). However, a minority of consumers claimed that, if they became aware of a situation like this, they would approach the supplier directly to complain about the issue in the hope of a fast and easy resolution. Even these consumers indicated a reluctance to take the matter further if they did not receive a satisfactory response, simply as a result of the sum involved. One or two even suggested that they would take direct action<sup>133</sup>.

The exceptions to this apathetic response come from consumers who think that they would feel a sense of "disappointment" and even "anger" if they were 'misled' by a utility supplier in this way<sup>134</sup> (a view expressed, for example, in SE, BG, UK, and LV). In these instances consumers feel that it is a point of principle to respond to the situation

<sup>132</sup> "For €10? Don't even think about it... I would consider it a donation to the government." (CY)

"I wouldn't consider the collective court action for €10. If the other 200,000 people came to me I still wouldn't consider it for €10. Basically it's the amount. If they had a meeting I might go just for the fun of it. If a team of representatives were to take over let them but I wouldn't want to be actively involved." (CY)

<sup>133</sup> "I'd just reduce the invoice by this amount and wait to see what happens." (BE)

<sup>134</sup> "I would get extremely annoyed, because I have been duped. I don't like that!" (SE)

and seek redress<sup>135</sup>. Some Irish consumers even felt that the energy supplier in question might be "*counting on consumer inertia*" in an attempt to retain the revenue gained from overcharging their consumers. Principle then becomes an even stronger force driving consumers to seek redress.

Some consumers indicate that they would consider taking action only if there was no cost to them personally and if the time and effort required of them was minimal. In the light of this, consumers in most Member States reached the view that some form of collective redress would be the most appropriate mechanism. Their rationale for this is based on a number of factors:

- the number of complainants involved; the perceived "*power in numbers*"<sup>136</sup>;
- the resultant publicity would increase the supplier's likelihood to settle;
- the impact on the individual, in terms of financial, emotional and time costs, would be minimal. For example, in the UK some consumers hoped that they would only be asked to sign a form and that the rest of the procedure would be handled without their direct involvement.

### 8.2.2. Choice of redress mechanism<sup>137</sup>

Across the whole study, consumers identified four of the seven suggested redress mechanisms as being potentially appropriate in this instance. They are (in order of initial perceived suitability and preference):

---

<sup>135</sup> *"In this case I have the feeling that I must not so much help other people, but to achieve liquidation of such a dishonest company."* (LV)  
*"I won't leave it this way at all! It's not about the amount; it's the principle that matters. Why does such a thing have to happen?"* (BG)

<sup>136</sup> *"The effect is much stronger if all the victims act together, because this increases the chances of protection with violated rights."* (LV)  
*"I'd feel like my voice was being heard if there's more of us campaigning... you've got a stronger case."* (UK)

<sup>137</sup> Note for the reader: during the discussions of the hypothetical scenarios the consumers had the show cards with the various redress mechanisms available to them as reference. The discussion on the preferred and suitable mechanisms is thus conducted in an aided rather than a spontaneous setting.

1. requesting a Consumer Organisation to take action (particularly in BE, AT, IT, BG, CZ, LV, DE, SE)
2. complaining to a Public Authority (particularly in BE, SE IT, BG, UK, SK, CZ, DE, IT, AT, PL)
3. Collective ADR (particularly in BE, AT, BG, LV, CY, RO, UK, EL, IE)
4. Collective Court Action (particularly in BG, EE, LV, RO, UK, EL, PL, SK, LT)

The first two mechanisms, involving approaching a **Consumer Organisation** or **Public Authority**, are perceived by many to be a necessary first step. From this first step consumers would hope to obtain advice and information on how to progress further with the complaint. Some consumers would also expect these bodies to provide assistance in bringing together the other injured parties.

Some consumers in, for example CZ, DE, IT, BE, SE, AT, PL and SK see this as the only step they would need to take, particularly where the approach is to the **Public Authorities**. They expect that the involvement of such a body would provide sufficient extra pressure on the supplier that they would resolve the issue make amends. Some consumers indicate they would be disinclined to pursue the matter beyond this point if this proved unsuccessful<sup>138</sup>.

The most obvious potential barrier to making use of **Consumer Organisations** or **Public Authorities** is the consumer's uncertainty regarding which bodies to approach in particular circumstances (a point made specifically in LT, BE, DE and LV).

Many consumers viewed **Collective ADR** as a highly appropriate mechanism for seeking redress from a supplier in a situation like this. With the number of people involved in the dispute and the relatively small sums involved, the approach seems well suited to the situation. The **benefits** identified from using the approach in this particular case reflect those discussed earlier:

---

<sup>138</sup> "I might call to make a complaint to a public authority if this really bothered me. From that moment others would take over, so why not? So, I would make a telephone complaint but I wouldn't really expect anything in return." (CY)

- the power of many complainants against a single supplier<sup>139</sup>
- efficiency in terms of sharing the costs and other investment involved<sup>140</sup>
- a potentially quicker process than collective court action

The potential weaknesses of Collective ADR in this specific instance also reflect those identified in the earlier, more generic discussions:

- uncertainty as to how to proceed with this approach
- doubts about the enforceability of a ruling since this is not a court proceeding
- finding the other complainants
- and, for a tiny minority, the feeling that they might not benefit fully in the context of the outcome of a collective mechanism (i.e. they might not receive the level of financial compensation they are hoping for)

Many consumers also felt that a **Collective Court Action** would be an appropriate mechanism for addressing this specific complaint (particularly in BG, EE, LV, RO, UK, EL, PL, SK and LT). Some felt it would be a better mechanism than Collective ADR for making a complaint against a "*monopolistic supplier*" since it brings a greater level of perceived authority and weight.

The perceived **benefits** of this approach closely match those already discussed and include (ranked by relative frequency of mention):

- in common with ADR, the involvement of many complainants is expected to increase the chances of success<sup>141</sup>
- possible media involvement and the consequent impact on the supplier's reputation potentially increasing the likelihood of an 'out-of-court' settlement, prior to the case actually being heard
- the shared cost of litigation
- a greater level of familiarity than with CADR

<sup>139</sup> "I am sure that we would win if we all, jointly took this case further." (SE)

<sup>140</sup> "I believe the collective ADR would be easier and less time consuming and for sure collective cases are easier." (CY)

<sup>141</sup> "It is not possible that 100 people state the same and they all are wrong". (LV)  
"Collective court action has better chances of proving that the overcharging of 200,000 clients has not been accidental, but with fraudulent intent to benefit from the accounts of clients." (LV)

The potential **weaknesses** of this mechanism in this context included (ranked by relative frequency of mention):

- the fear that the costs involved would still outweigh the €10 loss
- the outcome is not guaranteed
- the perception that the court systems of a particular Member State might not be able to handle the process<sup>142</sup>.

As a general rule consumers from all Member States **would not consider** any of the **individual redress mechanisms** if they found themselves in a situation such as this. For many, the rationale for this didn't go much beyond the fact that the amounts involved are too small to merit the costs and effort involved in seeking any form of individual redress.<sup>143</sup> In almost all cases this was such an obvious point that consumers felt there was little more to be said.

### Overall preference

Having considered all the available redress options, the clear preference of the majority of consumers in a small claims instance such as this is for the matter to be dealt with either by **Consumer Organisations** or **Public Authorities**, with little or no direct involvement from consumers. However, should the case require direct consumer involvement, the majority would prefer to address the matter using **Collective ADR, rather than Collective Court Action**. In this instance they would still expect the process to start with contact either with a consumer organisation or public authority, leading to the CADR process.

---

<sup>142</sup> "This is not like USA, where court can decide on millions of compensations. That is not realistic in Latvia." (LV)

<sup>143</sup> "For such a small amount finding a third party to solve your differences is not worth it. Purely because of the amount.... as a process I don't reject it but because of the small value it's not worth it." (CY)

### 8.3. High value claim

#### 8.3.1. Initial reactions

The high value claim example elicited far stronger reactions from consumers<sup>144</sup>, not just because of the larger sums involved but because the case involves personal damages. As a result, consumers believe they would be far more likely to take action in this instance than in the small claims example. There was also a much clearer expectation that the action taken would involve going to a third party, often right at the start of the process. The likely start points for such action tended to be quite diverse, ranging from Consumer Organisations to travel or health insurers.

For some, this example is perceived as being difficult to address since it is a cross-border case<sup>145</sup>. Some consumers feel that uncertainty as to how to initiate the process for a claim which has taken place abroad and involves others could prevent their seeking redress. However, others are made more determined by the cross-border aspects of the case and believe that a media "*watchdog*" would be likely to take up a case of this sort. As a result they would attempt to use such an approach. Some also pointed out that there was an element of 'public duty' in taking a case like this to court<sup>146</sup>.

For many, a collective redress mechanism would be appropriate for the high value claim. In this instance there is a view that the other

---

<sup>144</sup> "Since I am directly involved, I want to be refunded, I would demand compensation." (IT)

"This is quite serious. I would definitely do something here, and two week's holiday is quite a big thing for me so I would definitely want to get my money back." (UK)

"You become very disappointed in this case when they don't want to reimburse you and angry because they have ruined my vacation. It takes a lot of negative energy." (SE)

"The seriousness of problem must be evaluated. This case is not so much about lost money, as it is about damaged health. Also, a good holiday is crucial for the rest of working year! If the holiday is spoilt, a person will do everything possible and impossible to get satisfaction." (LV)

<sup>145</sup> "If it was in another country I wouldn't do it, I wouldn't know the procedures and for many other reasons like I would have to be constantly physically there, know the language, etc." (CY)

<sup>146</sup> "I would consider taking this to court, because this is about a hotel that is poorly taken care of, so it is important to take measures for the future." (SE)

complainants would be easy to find and that there would be a high degree of consistency in what people would hope to achieve through the process; overcoming the concerns about the groups' objective superseding the individuals expressed when considering collective redress mechanisms earlier in the discussion.

However, there are still a small number of consumers who would prefer to approach such a claim individually, feeling that personal damages claims are too serious to be dealt with in what is seen as a generic fashion. There is also a view that individual processes will be quicker as fewer injured parties are involved and this approach will allow for the highest possible individual compensation. There is a view that compensation will be lower if it is shared amongst all the complainants in a collective redress case.

### 8.3.2. Choice of redress mechanism

Consumers tended to see four of the possible redress mechanisms as potential tools to employ were they confronted with the sort of scenario presented in the high value claim example. These were (in order of initial preference):

1. Collective Court Action (particularly in BE, AT, IT, G, EE, UK, DK, EL, PL, SK)
2. Collective ADR (particularly in BG, BE, UK, DK, IT, EE, DE, LV, EL, PL)
3. Individual court proceedings (particularly in IT, DE, LV, EL, LT)
4. Small claims procedure (particularly in IT, DE, LV, UK)

Much of the positive rationale for **Collective Court Action** revisited themes already familiar from earlier discussions:

- decisions are perceived to be more binding than those achieved through CADR
- in common with CADR, the increased 'weight' of an action taken by a number of people<sup>147</sup>

---

<sup>147</sup> "We are going to be stronger as a group and they can't say that we all got ill from different things." (UK)

In addition, in this specific context, a number of issues reinforce the appropriateness of collective court action:

- consumers felt that the case for compensation was so strong that a positive outcome would be almost certain. Under these conditions many of the perceived downsides of court actions (cost, time, stress) lose their strength.
- the other complainants should be easy to find as they are known to one another

Set against these arguments in favour of employing this mechanism were some of the same perceived **weaknesses** discussed in earlier sections:

- litigation can be time-consuming
- the challenges involved in finding all the other complainants<sup>148</sup>

**Collective ADR** was also favoured by many consumers as an appropriate redress mechanism in this context, primarily because it is clearly designed for situations where there are multiple complainants. Some expressed a preference for CADR because they expected it to be quicker and simpler than court proceedings.

The perceived **weaknesses** of Collective ADR, in this context, included (ranked by relative frequency of mention):

- uncertainty as to the initial steps which need to be taken
- the role of discussion, consensus and debate, rather than a third party's judgement<sup>149</sup>
- the perception that decisions are not legally binding
- the unfamiliarity of the process
- the company could choose not to participate

Some consumers claimed they would consider **Individual Court Proceedings** in this situation, primarily because of the extent of the individual impact; the "*lost and spoilt holiday*". Others indicated that

---

<sup>148</sup> "Me and 100 other people? For me it is quite a thing to do and a pain in the neck if I have to contact 100 people or at least 90 people beforehand" (EE)

<sup>149</sup> "It's too time consuming. I'd be inclined to go down the legal route rather than sit and argue." (UK)



they would turn to Individual Court Proceedings if other claimants seemed disinclined to participate in collective redress procedures. However, in these instances, Individual Court Proceedings are seen as a fallback if collective mechanisms become unavailable or impractical.

The perceived **benefits** of this approach are all shared with Collective Court Action:

- expert handling of the case, ensuring or increasing the chances of a positive outcome
- a legally binding result

The **weaknesses** include:

- the cost benefit ratio : an uncertain outcome considering the costs and time involved (CZ, IT, BG, and LT)
- the high costs involved (BE, AT, IT, CZ, and LT)

A **Small Claims Procedure** is the fourth option some consumers can envisage employing (if the total amount being claimed by the consumer falls within the threshold for a small claims procedure). For some this seems to offer a less intimidating individual approach than court proceedings, but avoids the need to involve other claimants<sup>150</sup>.

The **benefits** of this approach include:

- perceived lower costs than individual court proceedings
- a quicker, simpler process than either collective redress or court proceedings

The main envisaged **weakness of a small claims process was** the expectation that it would be ill-suited to the scale of compensation being sought.

Although many consumers mention the possibility of approaching either a **Public Authority** or **Consumer Organisation** at the start of the process, these bodies are not expected to provide the main

---

<sup>150</sup> "That's the one I would do ... if I'd been ill could I really be bothered to get together with other people? Probably not...I just want my money back I don't care about anyone else - to be honest I'd probably go for that one." (UK)

redress mechanism. In the context of a high value case of this sort these bodies were felt to be somewhat 'light weight'.

Individual **ADR** tended to be quickly rejected on the grounds that, in this context it would be relatively ineffective; the travel agent or hotel could and, many felt, would refuse to take part in the mediation process, leaving the consumer exactly where he or she had started.

### **Overall preference**

Once all the mechanisms had been considered, most consumers opted for one of the collective redress mechanisms in this high value claims context. **Collective Court Action** was clearly favoured by the largest proportion of consumers but **Collective ADR** was also viewed as a credible and effective approach by many.

## 9. Conclusions

- The likelihood that a consumer will make an initial complaint to the supplier when faced with instances of faulty or damaged goods or inadequate service is **highly variable**. The individual's **temperament and disposition** are key influences, making it difficult to generalise about the circumstances in which consumers will or won't complain.
- However, some clear patterns do emerge. Consumers are generally more likely to make an initial complaint to the supplier in situations where:
  - the **economic investment** (price) was high;
  - the **emotional investment** (expectation, anticipation) was high;
  - the **perceived barriers** to complaining are limited
- The tipping point in terms of price generally varies between the **Eastern European Member States** (around **€50**) and the **Western European Member States** (around **€100**)
- Consumers are far **less likely to make complaints about products purchased cross-border or over the internet** because they anticipate far greater difficulties in accessing the supplier and obtaining a response.
- Where complaints are not satisfactorily resolved, the **factors determining** whether a consumer considers **seeking redress further than the supplier** largely match those influencing the likelihood to make an initial complaint.
- However, due to the (perceived) level of additional effort and cost involved in seeking redress further than the supplier, the threshold points for economic and emotional investment are higher; consumers **need to be more motivated in order to seek redress** further than the supplier than they do to make an initial complaint to the supplier.
- Consumers will be **more likely to seek redress** further than the supplier in circumstances where:

- the **supplier's initial response** is considered inflammatory (e.g. unresponsive, rude, accusatory)
- an **issue of principle** is felt to be at stake
- Whilst awareness of the concept of consumer rights is high across most Member States, consumers in most States do not have a consistent or clear understanding of the **concept of 'consumer redress'**. The term itself and what it represents in relation to consumer rights is unfamiliar to most. However, higher levels of knowledge and familiarity do exist amongst:
  - those consumers with **direct experience** of consumer redress mechanisms (albeit this knowledge tends to be limited to the redress mechanism employed)
  - consumers in the **UK, NL and the Scandinavian Member States**
- Most consumers tend to have little to no awareness of the full range of redress mechanisms available to them. Awareness and knowledge is highest about **Consumer Organisations, Public Authorities** and **Individual Court Proceedings**. The last of these being the most consistently known across all Member States.
- Awareness of **ADR, CADR, Collective Court Action** and **Small Claims Procedures** is low across most Member States, with occasional exceptions such as **ADR** in ES and CZ.
- The **media** (including television, press and the internet) **is a key influence** in consumers' awareness, knowledge and perceptions of their consumer rights and of redress options.
- Most consumers **do not know how to initiate** formal consumer redress processes. Many are able to make tentative suggestions about where they might start (approaching some form of consumer body or involving a lawyer) but this tends to be based on supposition, rather than informed knowledge.
- Consumers tend to find it difficult to suggest spontaneously **which sort of redress mechanism is appropriate** for a particular set of circumstances. However, if provided with a simple description of

the various mechanisms available, most feel able to make clear decisions about which would be best in which circumstances.

- Those consumers who had used one of the redress mechanisms available ('experienced' consumers) tended to have started the process by approaching either a **Consumer Organisation** or **Public Authority**. Experiences with these bodies were generally good; they were frequently found to be approachable and provided the support and advice consumers were looking for.
- However, many consumers feel they have insufficient knowledge of the precise roles that **Consumer Organisations** and **Public Authorities** play in the redress process and the circumstances in which it would be appropriate to approach each type of body. Although these bodies are generally regarded positively, some consumers from Eastern European Member States have reservations about the efficiency and effectiveness of such agencies in their countries.
- **Individual Court Proceedings** is the most commonly recognised redress mechanism. However, many consumers are wary of using this option in all but the most serious cases, since it is perceived to be expensive and time-consuming.
- Although many consumers were unfamiliar with the concept of **ADR**, once they had learnt a little about it, they tended to find it an interesting and potentially attractive option. Those with experience of the mechanism found it uncomplicated and transparent but levels of satisfaction with the ultimate outcome were mixed.
- The two Collective Redress mechanisms covered in the study, **Collective ADR** and **Collective Court Action** were also appealing to the majority of consumers. The concept of shared costs, responsibility and effort made these seem very attractive, although there were numerous questions raised about the precise functioning of both mechanisms.
- Experience of **the Small Claims Procedure** was extremely limited but those who had used it were satisfied with the outcome. This is the least familiar of the mechanisms discussed and whilst it was

potentially of interest to some, its unfamiliarity and the consumers' lack of knowledge about it make conclusions difficult to draw.

- All of the redress mechanisms included within the study appeared to have **relevance and appeal** to consumers. The precise situations and circumstances in which each would be deemed appropriate varied but there were instances in which **consumers could envisage employing all seven** the mechanisms discussed.
- Having such a wide range of mechanisms available is clearly a **potential source of confusion** for consumers, especially if knowledge about both the range of mechanisms and the details of the individual approaches is limited. However, if basic levels of **information** and, ideally, **independent advice** are available to consumers, it is indicated that most will find it relatively easy to select the appropriate mechanism for their circumstances.
  - For instance, having considered all the available redress options, the majority of consumers looking at a hypothetical collective small claims instance would like the claim to be fully handled by either a **Consumer Organisation** or **Public Authority**. If this is not possible, then **Collective ADR** is the clear preference amongst the available mechanisms but still with a **Consumer Organisation** or **Public Authority** playing a key facilitation role.
  - In the context of a higher value hypothetical collective claim example, once all mechanisms had been considered, most consumers opted for one of the collective redress mechanisms. **Collective Court Action** was clearly favoured by the largest proportion of consumers but **Collective ADR** was also viewed as a credible and effective approach by many.

- Ends -

## Appendices

- Three discussion guides, one for each type of target consumers
- Show cards for the 7 mechanisms for consumer redress
- Show Cards for the 2 value claims examples

## Discussion Guide for DG Sanco – Consumer Redress

Ref. 5662

Final version April 2009

“Inexperienced”

*Type 1: Has bought faulty product/service but did NOT complain*

- **Background and context for the moderator and the respondent:**
  - The discussion today is about understanding the reasons **why a consumer did not complain** when faced with the experience of an unsatisfactory or problematic purchase of a product or service as well as under which circumstances **they would choose to complain** and **how redress (compensation) mechanisms would need to be designed so that consumers would choose them**. There are no right or wrong answers; we are interested in opinions and views from the individual consumer. **Ask the consumer to speak clearly for the tape and ask them to switch off their mobile phones.**

### SECTION 1: WARM UP AND INTRODUCTION OF INDIVIDUAL CASE–10-15min MINUTES

**Moderator instruction: the objective of this section is to put the consumer at ease and to understand his/her life situation. We then discuss the individual case of a problematic purchase and explore the emotions around that and reasons why NO COMPLAINT was lodged and why the consumer remained inactive. Awareness and knowledge levels of consumer in regard to what potential complaint and redress (compensation) mechanisms exist are introduced here.**

- Briefly ask the consumer to introduce him/herself by name, tell about their job/studies, family situation, do they travel, where do they come from and what made them move to a specific country (in case they are not national citizens, etc.)
- **Moderator: We now cover an individual case study of a problematic purchase of a product or service. Let the consumer briefly describe the case of his/her problematic purchase of a product or a service.**
  - Discuss the purchase of the product or service briefly; what was it and what were the expectations or emotions around it? (e.g. holiday trip or package has a different set of emotions, expectations or importance around it than a purchase of a laptop that one might need for one’s work or job or a piece of clothing that was damaged.)
    - Was it a small or regular purchase or a big purchase in terms of money spent? Get the exact price or close estimate;
    - Did the consumer buy it in their country or in another EU MS?
    - Did the consumer buy it online or through another distant channel such as telephone or was it bought in a shop?



- Then briefly discuss first reaction when finding out that this purchase or service was faulty or of substandard quality – probe for emotive words (anger, frustration, being upset, being disappointed, etc.)
- **Moderator: What did the consumer do when finding out or experiencing the problem with the purchase? – understanding NON-COMPLAINT behaviour, motivations, and reasons:**
  - What motivated them **NOT** to make an official complaint?
    - Discuss in detail the following aspects:
    - Did the **price paid** for the whole product or service (not the damage or unsatisfactory part only) play a role (it was too low to complain?) – would different price levels (Euro 50; 100; 200; 1000; 2000; 2000+?) make them change their mind to make or not to make a complaint? Note to Moderator: if price is the issue, try to get a sense of threshold of price: when it is not worth complaining or when would one consider complaining.
    - Did the **type of purchase** play a role (i.e. food one simply throws away but a car or clothes are more 'important', etc?)
    - Did the **channel or means of purchase** (i.e. internet versus actual shop) deter them? If one buys with cash at a store, is that more of a situation to complain than if one buys with a credit card online? What else?
    - In case of **cross-border purchase**: Did the fact that it was bought in another EU country made a difference in deciding NOT to make a complaint? Did they think it would be too difficult to make a complaint? Would they know who to complain to in a cross-border case?
    - Did they think a complaint to the supplier would be costly, time-consuming, complicated, and ineffective? Which factors or emotions are barriers to a complaint?
    - Did they think a complaint through another mechanism (e.g. court) would be costly, time-consuming, complicated, and ineffective? Which factors or emotions are barriers to a complaint?
  - Does the consumer think that the problem/fault was **specific to his/her purchase or did others experience it** as well?
    - Would the fact that he/she knows that other consumers had the same problem change his/her behaviour in terms of making a complaint? Would this be a motivator to making a complaint or taking action? If so, why? Would he know what mechanisms may be available to a complaint together with other consumers? (briefly to be covered as this aspect is discussed further below.)

## SECTION 2: INTRODUCE REDRESS (COMPENSATION) MECHANISMS – 25-30 minutes

**Moderator instruction: the objective of this section is to discuss some redress (compensation) mechanisms in detail and find out how they should be designed so that consumers use them and follow through their complaints. Further to explore levels of and gaps in awareness and knowledge and sources of awareness.**

**Exercise 1) Initially do top of mind association exercise on the word ‘consumer redress’, then spontaneous awareness of each mechanism, then aided awareness by introducing the redress mechanisms (there will be showcards with simple texts explaining each mechanism for the consumer to look at):**

- **Top of mind associations:**
  - Discuss with the consumer the word ‘consumer redress’ – what comes to mind?
  - Moderator explore the words given (rational or emotive) in detail.
- **Spontaneous awareness:**
  - There are in fact different mechanisms and procedures available to consumers through which they can complain and get redress (compensation). Does the consumer know any redress mechanisms (**other than complaining directly to the trader/supplier**)? Which ones? Let him/her speak in their own words.
- **Aided awareness:**
  - Now, looking at these cards with different redress mechanisms described, which of the following has the consumer heard of or knows about (show cards with full description to be given to the consumer to read):

**List of possible redress mechanisms (given as show cards):**

1. **Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here).** **Note to the moderator:** please ensure that the interviewee is not confused as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader.
3. The possibility of **complaining to a public authority**
4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)
5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)

7. **Collective Alternative Dispute Resolution (Collective ADR):** Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.
- **Moderator:** repeat for tape which mechanisms are now sorted in the 'heard of' – 'not heard of' category.
    - Discuss clearly for the tape if the consumer has heard about the mechanism in other words or different wording from the 'official' description.
    - On the ones that the consumer is aware of, ask where he/she did hear about or find out about each mechanism?
    - If the consumer is aware of collective action and/or collective ADR mechanisms, ask whether the knowledge that this is available for cross-border purchases in some Member States, would actually influence their decision to buy cross-border or not.

**Exercise 2): Introduce the show cards with two hypothetical examples of possible mass claim situations with different money value scenarios. Mass claims situations: cases where multiple consumers have all been harmed by the same or similar practice of a single trader or services provider.**

**Discuss in detail the motivations to use each mechanism on the show cards in these mass claims examples. It does not matter whether a mechanism exists or not in a specific country, the discussion is a hypothetical one:**

**Moderator:** Discuss for each scenario below the willingness to bring a complaint for this mass claim example. Which redress mechanism, if available, would the consumer use for this example? Take each mechanism in turn and discuss its pros and cons with the consumer in the hypothetical examples given. Why or why not he/she would use it. Make clear that the examples refer to situations occurring in one's country or in another EU Member State.:

**EXAMPLE CASES (GIVEN AS SHOW CARDS)!!(Note to moderator: Show the small claim card first)**

**1) Small claim (small value to the individual)**

*You find out that your electricity supplier has been overcharging you, and 200 000 other customers, by €5-10 each a year. The company refuses to reimburse you. What do you do? (Note to moderator: in case the consumer declares from the beginning that he/she would not be interested in following such a small complaint, move to probe questions so that we get an idea of which mechanism the consumer would use if he/she decided to complain. Then move to high-value claim example).*

## **2) High-value claim (high value to the individual)**

*You book your annual, summer two-week package holiday with your local travel agent. On your first night, you, along with the 100 other people on the package holiday, eat under-cooked chicken at the hotel and get salmonella poisoning. Everyone's holiday is ruined and you have to go back home. Your travel organizer refuses to reimburse you. What do you do?*

### **List of possible redress mechanisms (given as show cards)**

1. **Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
  2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here)**. **Note to the moderator: please ensure that the interviewee is not confused as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader.**
  3. The possibility of **complaining to a public authority**
  4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)
  5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
  6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)
  7. **Collective Alternative Dispute Resolution (Collective ADR):** Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.
- **Cover the specific aspects of interest listed below in the discussion:**
    - Explore the reasons **why or why not** the consumer would be willing to bring a case through one mechanism but not through another in these hypothetical examples. Explore in detail the differences and preferences.
    - Is it a **matter of perceived difficulty to use** a specific mechanism in one's country? In what way is it difficult or easy? Is a court approach perceived as more difficult than an arbitration/mediation body and if so, why? Is it the costs or time that one needs more for one mechanism than for another?
    - Or is it **depending on the type of claim?** Does the consumer think that by using one or another mechanism he/she will be able to get a bigger compensation?
    - Or have they **heard of others who have used** a particular redress mechanism?
    - Discuss in more detail **if it matters that in these examples other consumers** experienced a similar type of complaint? Would that change their behaviour in terms of making a complaint?

- Now that the consumer has discussed the **collective redress mechanism versus others** would he/she join others in a collective complaint action or would he/she prefer to follow an individual mechanism? Explore reasons for preference and what does it depend on?
- Does the fact that a good or service was bought cross-border influence their preference for collective or individual complaint action?
- Probe throughout for the **emotive words** that the consumer uses in his/her discussion; i.e. difficult, lengthy, successful, costly, a hassle, etc.
- Explore the consumer's **preference in a mass claim situation**: Is the choice offered by the various redress mechanisms to the consumer useful or would one mechanism be enough for the consumer? Does it depend on the situation (nature of complaint, time available, possible costs)? Why, why not?

### SECTION 3: ROUND OFF AND LAST WORDS – 1-2 MINUTES

**Moderator instruction: Round off, thank the consumer and invite last comments**

- Round off and thank the consumer for his/her valuable and open contributions. Ask him/her if he/she wants to add anything.

**- Ends-**

**Discussion Guide for DG Sanco – Consumer Redress**

**Ref. 5662**

**Final version April 2009**

**“Inexperienced”**

*Type 2: Has bought a faulty product/service, did complain to the supplier, but did not follow through their complaint, even though the supplier did not resolve the complaint in a satisfactory manner*

- **Background and context for the moderator and the respondent:**
  - The discussion today is about understanding the reasons **why a consumer DID COMPLAIN to the supplier** when faced with the experience of an unsatisfactory or problematic purchase of a product or service **BUT DID NOT FOLLOW THROUGH SUCH A COMPLAINT**. We also discuss under which circumstances **they would choose to complain** and **how redress (compensation) mechanisms would need to be designed so that consumers would choose them**. There are no right or wrong answers; we are interested in opinions and views from the individual consumer. **Ask the consumer to speak clearly for the tape and ask them to switch off their mobile phones.**

**SECTION 1: WARM UP AND INTRODUCTION OF INDIVIDUAL CASE–15 MINUTES**

**Moderator instruction: the objective of this section is to put the consumer at ease and to understand his/her life situation. We then discuss the individual case of a problematic purchase and explore the emotions around that and reasons why and how A COMPLAINT was lodged AND WHY THE COMPLAINT WAS NOT FOLLOWED THROUGH, when the supplier did not resolve the complaint in a satisfactory manner? Awareness and knowledge levels of consumer in regard to what other potential complaint and redress (compensation) mechanisms exist are introduced here.**

**Note to moderator: "follow through": the consumer was not satisfied with the outcome of the complaint he made to the supplier, but did not go further to one of the redress mechanisms. (e.g. ADR, individual court proceeding etc)**

- Briefly ask the consumer to introduce him/herself by name, tell about their job/studies, family situation, do they travel, where do they come from and what made them move to a specific country (in case they are not national citizens, etc.)
- **Moderator: We now cover an individual case study of a problematic purchase of a product or service. Let the consumer briefly describe the case of his/her problematic purchase of a product or a service.**
  - Discuss the purchase of the product or service briefly; what was it and what were the expectations or emotions around it? (e.g. a holiday trip or package has a different set of emotions, expectations or importance

around it than a purchase of a laptop that one might need for one's work or job or a piece of clothing that was damaged.)

- Was it a small or regular purchase or a big purchase in terms of money spent? Get the exact price or close estimate;
  - Did the consumer buy it in their country or in another EU MS?
  - Did the consumer buy it online or through another distant channel such as telephone or was it bought in a shop?
  - Then briefly discuss first reaction when finding out that this purchase or service was faulty or of substandard quality – probe for emotive words (anger, frustration, being upset, being disappointed, etc.)
  
- **Moderator: What did the consumer do when finding out or experiencing the problem with the purchase? – understanding COMPLAINT behaviour, motivations, and reasons:**
  - What **motivated them** to make an official complaint to the supplier?
    - Discuss in detail the following aspects:
    - Did the **price paid** for the whole product or service (not the damage or unsatisfactory part only) play a role (it was too low to complain?) – would different price levels (Euro 50; 100; 200; 1000; 2000; 2000+?) make them change their mind to make or not to make a complaint? Note to Moderator: if price is the issue then try to get a sense of threshold of price: when it is not worth complaining or when would one consider complaining.
    - Did the **type of purchase** play a role (i.e. food one simply throws away but a car or clothes are more 'important', etc?)
    - Did the **channel or means of purchase** (i.e. internet versus actual shop) make a difference? If one buys with cash at a store, is that more of a situation to complain than if one buys with a credit card online? Was the seller/supplier identifiable? What else?
    - Did the **reputation or brand of the seller** make a difference? I.e. did it impact that one would/could get a response?
    - In case of **cross-border purchase**: Did the fact that it was bought in another EU country made a difference in deciding to make a complaint? Did they think it would be difficult or easy to make a complaint? Would they know who to complain to in a cross-border case?
    - Does the consumer think that the problem/fault was **specific to his/her purchase or did others experience it** as well?
      - Would the fact that he/she knows that other consumers had the same problem change his/her behaviour in terms of making a complaint? Would this be a motivator to making a complaint or taking action? If so, why? Would he/she know what mechanisms may be available to a complaint together with other consumers? (briefly to be covered as this aspect is discussed further below)



- Discuss the **complaint process** - How did the complaint process go? What did they experience – negatively or positively?
  - Did they know to whom at the supplier/seller they could direct their complaint?
  - How did they know? Was it pointed out to them when they bought the product/service or did they need to find out by themselves when the problem occurred?
  - What was the value of the complaint and the reaction from the supplier? Were they responsive, take the complaint seriously, were they knowledgeable about the product/service and the complaint process, friendly, dismissive, etc?
  - Did the supplier offer any alternatives to settle the complaint? I.e.; offer a replacement product, offer a voucher in the amount of the original value of the product; offer an apology; a combination of various aspects, none of these? Anything else?
  - What was the outcome of their complaint? Were they satisfied? Why? Why not? Discuss factors or emotions around the complaint – Did the consumer think his/her complaint to the supplier was costly, time-consuming, complicated, ineffective?(probe for emotive words)
- **Moderator: Now that we understand the initial complaint procedures and steps and motivations therein, we turn to discussing what kept them from following through the complaint with a redress (compensation) mechanism.**
  - What made them **NOT** follow through?
    - **Moderator:** explore in detail all rational and emotive reasons such as....
      - Did they not know **what to do?** Did they know which mechanisms were available to them? If they had known, would they have followed through?
      - Were they simply **not interested** after the initial first steps?
      - Were they "**afraid**" to follow up their complaint? Are they simply not the person to follow through?
      - Was it an issue of **time or costs** that may have been required to follow through with a mechanism? Does the consumer have a 'legal insurance' to assist with costs when a lawyer or someone professional is needed to assist in a case or dispute? Did the fact that he/she had/hadn't one make a difference in deciding to complain?
      - Did the **value of the purchase or the fault** not warrant the effort?



- Could they **indicate a price for which they would follow up** their complaint? Would they choose a different mechanism according to the price?
- Did the **reaction from the seller/supplier** when they made the complaint influence the reason not to follow through with the complaint further?
- Did they think it would lead to an **unsatisfactory outcome** anyway?
- Anything else?

**SECTION 2: INTRODUCE REDRESS (COMPENSATION) MECHANISMS – 20-25 minutes**

**Moderator instruction: the objective of this section is to discuss some redress (compensation) mechanisms in detail and find out how they should be designed so that consumers use them and follow through on their complaints. Further to explore levels of and gaps in awareness and knowledge and sources of awareness.**

**Exercise 1) Initially do top of mind association exercise on the word ‘consumer redress’, then spontaneous awareness of each mechanism, then aided awareness by introducing the redress mechanisms (there will be showcards with simple texts explaining each mechanism for the consumer to look at):**

- **Top of mind associations:**
  - Discuss with the consumer the word ‘consumer redress’ – what comes to mind?
  - Moderator explore the words given (rational or emotive) in detail
- **Spontaneous awareness:**
  - There are in fact different mechanisms and procedures available to consumers through which they can complain and get redress (compensation). Does the consumer know any redress mechanisms (**other than complaining directly to the trader/supplier?**)? Which ones? Let him/her speak in their own words.
- **Aided awareness:**
  - Now, looking at these cards with different redress mechanism described, which of the following has the consumer heard of or knows about (show cards with full description to be given to consumer to read):

**List of possible redress mechanisms (given as show cards)**

1. **A Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here).**  
**Note to the moderator: please ensure that the interviewee is not confused**

**as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader**

3. The possibility of **complaining to a public authority**
4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)
5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)
7. Collective **Alternative Dispute Resolution (Collective ADR)**: Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.

**Moderator:** repeat for tape which mechanisms are now sorted in the ‘heard of’ – ‘not heard of’ category.

- Discuss clearly for the tape if the consumer has heard about the mechanism in other words or different wording from the ‘official’ description.
- On the ones that the consumer is aware of, ask where he/she did hear about or find out about each mechanism?
- If the consumer is aware of collective action and/or collective ADR mechanisms, ask whether the knowledge that this is available for cross-border purchases in some Member States, would actually influence their decision to buy cross-border or not?

**Exercise 2): Introduce the show cards with two hypothetical examples of possible mass claim situations with different money value scenarios. Mass claims situations: cases where multiple consumers have all been harmed by the same or similar practice of a single trader or services provider.**

**Discuss in detail the motivations to use each mechanism on the show cards in these mass claims examples. It does not matter whether a mechanism exists or not in a specific country, the discussion is a hypothetical one:**

**Moderator:** Discuss for each scenario below the willingness to bring a complaint for this mass claim example. Which redress mechanism, if available, would the consumer use for this example? Take each mechanism in turn and discuss its pros and cons with the consumer in the hypothetical examples given. Why or why not he/she would use it. Make clear that the examples refer to situations occurring in one's country or in another EU Member State:

**EXAMPLE CASES (GIVEN AS SHOW CARDS)!!**(Note to moderator: Show the small claim card first)

**1) Small claim (small value to the individual)**

*You find out that your electricity supplier has been overcharging you, and 200 000 other customers, by €5-10 each a year. The company refuses to reimburse you. What do you do? (Note to moderator: in case the consumer declares from the beginning that he would not be interested in following such small complaint, move to probe questions so that we get an idea of which mechanism the consumer would use if he decided to complain. Then move to high-value claim).*

**2) High-value claim (high value to the individual)**

*You book your annual, summer two-week package holiday with your local travel agent. On your first night, you, along with the 100 other people on the package holiday, eat under-cooked chicken at the hotel and get salmonella poisoning. Everyone's holiday is ruined and you have to go back home. Your travel organizer refuses to reimburse you. What do you do?*

**List of possible redress mechanisms (given as show cards)**

1. **Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here)**.  
**Note to the moderator:** please ensure that the interviewee is not confused as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader
3. The possibility of **complaining to a public authority**
4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)
5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)
7. Collective **Alternative Dispute Resolution (Collective ADR):** Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.

- **Cover the specific aspects of interest listed below in the discussion:**
  - Explore the reasons **why or why not** the consumer would be willing to bring a case through one mechanism but not through another in these hypothetical examples. Explore in detail the differences and preferences.
  - Is it a **matter of perceived difficulty to use** a specific mechanism in one's country? In what way is it difficult or easy? Is a court approach perceived as more difficult than an arbitration/mediation body and if so, why? Is it costs or time that one needs more for the one mechanism than for another?
  - Or is it **depending on the type of claim?** Does the consumer think that by using one or another mechanism he/she will be able to get a bigger compensation?)
  - Or have they **heard of others who have used** a particular redress mechanism?
  - Discuss in more detail **if it matters that in these examples other consumers** experienced a similar type of complaint? Would that change their behaviour in terms of making a complaint?
  - Now that the consumer has discussed the **collective redress mechanism versus others** would he/she join others in a collective complaint action or would he/she prefer to follow an individual mechanism? Explore reasons for preference and what does it depend on? Does the fact that a good or service was bought cross-border influence their preference for collective or individual complaint action?
  - Probe throughout for the **emotive words** that the consumer uses in his/her discussion; i.e. difficult, lengthy, successful, costly, a hassle, etc.
  - Explore the **consumer's preference in a mass claim situation:** Is the choice offered by the various redress mechanisms to the consumer useful or would one mechanism be enough for the consumer? Does it depend on the situation (nature of complaint, time available, possible costs)? Why, why not?

### SECTION 3: ROUND OFF AND LAST WORDS – 1-2 MINUTES

**Moderator instruction: Round off, thank the consumer and invite last comments**

- Round off and thank the consumer for his/her valuable and open contributions. Ask him/her if he/she wants to add anything.

**- Ends-**

**Discussion Guide for DG Sanco – Consumer Redress**

**Ref. 5662**

**Final version April 2009**

**“Experienced”**

*All Types: Has bought faulty product/service, did complain to the supplier, was not satisfied and followed through one of the redress mechanisms*

- **Background and context for the moderator and the respondent:**
  - The discussion today is about understanding the reasons **why a consumer did complain** when faced with the experience of an unsatisfactory or problematic purchase of a product or service **AND HOW THE COMPLAINT WAS FOLLOWED THROUGH WITH A REDRESS MECHANISM**. We also discuss under which circumstances **they would choose to complain (in a future situation)** and **how redress mechanisms would need to be designed so that consumers would choose them**. There are no right or wrong answers; we are interested in opinions and views from the individual consumer. **Ask the consumer to speak clearly for the tape and ask them to switch off their mobile phones.**

**SECTION 1: WARM UP AND INTRODUCTION OF INDIVIDUAL CASE–20 MINUTES**

**Moderator instruction: the objective of this section is to put the consumer at ease and to understand his/her life situation. We then discuss the individual case of a problematic purchase and explore the emotions around that and reasons why and how A COMPLAINT was lodged to the supplier AND WHY AND HOW THE COMPLAINT WAS FOLLOWED THROUGH BY A REDRESS MECHANISM. Awareness and knowledge levels of consumer in regard to what other potential complaint and redress (compensation) mechanisms exist are introduced here.**

**Note to moderator: "follow through": the consumer was not satisfied with the outcome of the complaint he/she made to the supplier, and did go further to one of the redress mechanisms (e.g. ADR, individual court proceeding etc). Moderator: repeat clearly for the tape the type of redress mechanism used by the respondent in his or her individual example.**

- Briefly ask the consumer to introduce him/herself by name, tell about their job/studies, family situation, do they travel, where do they come from and what made them move to a specific country (in case they are not national citizens, etc.)

- **Moderator: We now cover an individual case study of a problematic purchase of a product or service. Let the consumer briefly describe the case of his/her problematic purchase of a product or a service.**
  - Discuss the purchase of the product or service briefly; what was it and what were the expectations or emotions around it? (e.g. a holiday trip or package has a different set of emotions, expectations or importance around it than a purchase of a laptop that one might need for one's work or job or a piece of clothing that was damaged.)
    - Was it a small or regular purchase or a big purchase in terms of money spent? Get the exact price or close estimate;
    - Did the consumer buy it in their country or in another EU MS?
    - Did the consumer buy it online or through another distant channel such as telephone or was it bought in a shop?
    - Then briefly discuss first reaction when finding out that this purchase or service was faulty or of substandard quality – probe for emotive words (anger, frustration, being upset, being disappointed, etc.)
  
- **Moderator: What did the consumer do when finding out or experiencing the problem with the purchase? – understanding COMPLAINT behaviour, motivations, and reasons:**
  - What **motivated them** to make an official complaint?
    - Discuss in detail the following aspects:
    - Did the **price paid** for the whole product or service (not the damage or unsatisfactory part only) play a role (it was too low to complain?) – would different price levels (Euro 50; 100; 200; 1000; 2000; 2000+?) make them change their mind to make or not to make a complaint? Moderator, if price is the issue then try to get a sense of threshold of price: when it is not worth complaining or when would one consider complaining.
    - Did the **type of purchase** play a role (i.e. food one simply throws away but a car or clothes are more 'important', etc?)
    - Did the **channel or means of purchase** (i.e. internet versus actual shop) make a difference? If one buys with cash at a store, is that more of a situation to complain than if one buys with a credit card online? Was the seller/supplier identifiable? What else?
    - Did the **reputation or brand of the seller** make a difference? I.e. did it impact that one would/could get a response?
    - In case of **cross-border purchase**: Did the fact that it was bought in another EU country made a difference in deciding to make a complaint? Did they think it would be difficult or easy to make a complaint? Would they know who to complain to in a cross-border case?
    - Does the consumer think that the problem/fault was **specific to his/her purchase or did others experience it** as well?

- Would the fact that he/she knows that other consumers had the same problem change his/her behaviour in terms of making a complaint? Would this be a motivator to making a complaint or taking action? If so, why? Would he know what mechanisms may be available to a joint complaint? (briefly to be covered as this aspect is discussed further below)
    - Discuss the **complaint process (only in case the consumer complained firstly to the supplier)** - How did the complaint process with the supplier go? What did they experience – negatively or positively?
      - What was the value of the complaint and the reaction from the supplier? Were they responsive, take the complaint seriously, were they knowledgeable about the product/service and the complaint process, friendly, dismissive, etc?
      - What was the outcome of their complaint? What was unsatisfactory and prompted them to go onto a redress mechanism?
      - Discuss factors or emotions around the complaint and the follow up with a redress step - Probe for emotive words such as frustration, anger, costly, time-consuming, complicated, ineffective?
  - **Moderator: Now discuss which redress (compensation) mechanism did the consumer choose and why. (moderator, let the consumer speak in his/her language about the mechanism)**
    - **Moderator: repeat the mechanism for the tape and the next section now focus only on the chosen mechanism by the consumer**
    - Did they know what to do and to whom to address their case?
    - Did they know how to start the procedures?
    - How did they become aware of this mechanism? How did the consumer go about finding the best way to obtain redress after he/she understood that the dispute could not be solved amicably? Did he/she consult:
      - Lawyer?
      - Consumer organisation?
      - Other advice service/centre/hotline?
      - Book, Internet etc?
      - Friends/family?
      - Any other?
  - **Moderator: Discuss the chosen redress mechanism in terms of the consumer's experience and the evaluation of the mechanism used by the consumer:**
    - Who did they bring their case to? And why?
    - How did the redress process go? What did they experience – negatively or positively? What worked, what did not work?(ask precisely if they



thought it was expensive, complicated, time consuming, if they thought of giving up during the process, get the emotive words and reactions from the consumer)

- **Probe:** in detail the steps, such as:
  - Difficulty in preparing the files for the case or the assisting body.
  - Who helped them throughout the process?
  - What about the consumer's investment of time and money? How long did the process take from start to end? Can they give an estimate of hours/days and money value put to the process?
- What was the outcome of their actions taken (**moderator probe for the precise outcome: did they get a compensation and to what amount, etc**)? Was it satisfactory? Why, why not?
- If they had a satisfactory experience, what **specific feature of the redress mechanism was helpful throughout the procedure and important for the positive outcome**? Was it the fact that it was not time-consuming? Was it the fact that the consumer was assisted by a third party (e.g. lawyer or consumer organisation) and he/she did not have to go through the procedure by himself/herself? Was it the fact that it was not costly? Was it the fact that the steps of the procedure to follow were easy to understand?
- Was there any feature that could be used as model for other similar schemes? Would they use this mechanism again in the future? Why, why not?
- Briefly discuss here perceptions on cross-border dimension (e.g. Does the consumer think it is more difficult to resolve dispute cross-border? In such case, would you know to whom to complain?)

## SECTION 2: INTRODUCE REDRESS (COMPENSATION) MECHANISMS – 20-25 minutes

**Moderator instruction: the objective of this section is to discuss some redress (compensation) mechanisms in detail and find out how they should be designed so that consumers use them and follow through on their complaints. Further to explore levels of and gaps in awareness and knowledge and sources of awareness.**

**Exercise 1) Initially do top of mind association exercise on the word 'consumer redress', then spontaneous awareness of each mechanism, then aided awareness by introducing the redress mechanisms (there will be show cards with simple texts explaining each mechanism for the consumer to look at) – Note: although the consumer has already 'used' a redress mechanism, let him/her discuss the others still:**

- **Top of mind associations:**
  - Discuss with the consumer the word 'consumer redress' – what comes to mind?
  - Moderator explore the words given (rational or emotive) in detail.



- **Spontaneous awareness:**
  - There are in fact different mechanisms and procedures available to consumers through which they can complain and get redress (compensation). Does the consumer know any redress mechanisms (**other than complaining directly to the trader/supplier**)? Which ones? Let him/her speak in their own words.
- **Aided awareness:**
  - Now, looking at these cards with different redress mechanisms described, which of the following has the consumer heard of or knows about (show cards with full description to be given to the consumer to read):

**List of possible redress mechanisms (given as show cards)**

1. **Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here)**. **Note to the moderator:** please ensure that the interviewee is not confused as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader
3. The possibility of **complaining to a public authority**
4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)
5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)
7. Collective **Alternative Dispute Resolution (Collective ADR):** Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.

**Moderator:** repeat for tape which mechanisms are now sorted in the 'heard of' – 'not heard of' category.

- Discuss clearly for the tape if the consumer has heard about the mechanism in other words or different wording from the 'official' description.
- On the ones that the consumer is aware of, ask where he/she did hear about or find out about each mechanism?
- If the consumer is aware of collective action and/or collective ADR mechanisms, ask whether the knowledge that this is available for cross-border purchases in some Member States, would actually influence their decision to buy cross-border or not?

**Exercise 2): Introduce the show cards with two hypothetical examples of possible mass claim situations with different money value scenarios. Mass claims**

**situations: cases where multiple consumers have all been harmed by the same or similar practice of a single trader or services provider.**

**Discuss in detail the motivations to use each mechanism on the show cards in these mass claims examples. It does not matter whether a mechanism exists or not in a specific country, the discussion is a hypothetical one:**

**Moderator:** Discuss for each scenario below the willingness to bring a complaint for this mass claim example. Which redress mechanism, if available, would the consumer use for this example? Take each mechanism in turn and discuss its pros and cons with the consumer in the hypothetical examples given. Why or why not he/she would use it. Make clear that the examples refer to situations occurring in one's country or in another EU Member State:

**EXAMPLE CASES (GIVEN AS SHOW CARDS)!!**(Note to moderator: Show the small claim card first)

**1) Small claim (small value to the individual)**

*You find out that your electricity supplier has been overcharging you, and 200 000 other customers, by €5-10 each a year. The company refuses to reimburse you. What do you do? (Note to moderator: in case the consumer declares from the beginning that he would not be interested in following such small complaint, move to probe questions so that we get an idea of which mechanism the consumer would use if he decided to complain. Then move to high-value claim).*

**2) High-value claim (high value to the individual)**

*You book your annual, summer two-week package holiday with your local travel agent. On your first night, you, along with the 100 other people on the package holiday, eat under-cooked chicken at the hotel and get salmonella poisoning. Everyone's holiday is ruined and you have to go back home. Your travel organizer refuses to reimburse you. What do you do?*

**List of possible redress mechanisms (given as show cards)**

1. **A Alternative Dispute Resolution (ADR)** (Using a mediation or arbitration body or mechanism)
2. The possibility of **requesting a consumer organisation to take action on your behalf or assist you (for any of the redress mechanisms presented here).**  
**Note to the moderator:** please ensure that the interviewee is not confused as we are not talking about the possibility of Consumer Organisations going back to the supplier/trader
3. The possibility of **complaining to a public authority**
4. **Individual court proceedings** (Using a lawyer to bring a complaint before the court.)

5. **Small claims procedures** (bringing a complaint to special tribunal for small amounts, usually around 2000 euro or less)
  6. **Collective court action** (bringing a complaint to court together with other consumers who have been harmed by the same or similar practice of the same trader)
  7. Collective **Alternative Dispute Resolution (Collective ADR)**: Multiple consumers use an ADR collective procedure (mediation or arbitration body) instead of bringing the case to court.
- **Cover the specific aspects of interest listed below in the discussion:**
    - Explore the reasons **why or why not** the consumer would be willing to bring a case through one mechanism but not through another in these hypothetical examples? Explore in detail the differences and preferences.
    - Is it a **matter of perceived difficulty to use** a specific mechanism in one's country? In what way is it difficult or easy? Is a court approach perceived as more difficult than an arbitration/mediation body and if so, why? Is it costs or time that one needs more for the one mechanism than for another?
    - Or is it **depending on the type of claim**? Is it the hope for a larger claim pay out or compensation?
    - Or have they **heard of others who have used** a particular redress mechanism?
    - Discuss in more detail if **it matters that in these examples other consumers** experienced a similar type of complaint?
    - Does the fact that he/she knows that other consumers had the same problem change his/her behaviour in terms of making a complaint?
    - Now that the consumer has discussed the **collective redress mechanism versus others** would he/she join others in a collective complaint action or would he/she prefer to follow an individual mechanism? Explore reasons for preference and what does it depend on? Does the fact that a good or service was bought cross-border influence their preference for collective or individual complaint action?
    - Probe throughout for the **emotive words** that the consumer uses in his/her discussion; i.e. difficult, lengthy, successful, costly, a hassle, etc.
    - Explore the consumer's **preference in a mass claim situation**: Is the choice offered by the various redress mechanisms to the consumer useful or would one mechanism be enough for the consumer? Does it depend on the situation (nature of complaint, time available, possible costs)? Why, why not?

### SECTION 3: ROUND OFF AND LAST WORDS – 1-2 MINUTES

**Moderator instruction: Round off, thank the consumer and invite last comments**

- Round off and thank the consumer for his/her valuable and open contributions. Ask him/her if he/she wants to add anything.

**- Ends-**

**SHOW CARD SECTIONS 1 AND 2  
TYPES OF REDRESS MECHANISMS**

**1. Alternative dispute resolution (ADR)**

The consumer uses one of the procedures which are designed as an alternative to resolving disputes in a court, e.g.:

Mediation:

The individual consumer and the trader are brought together and are assisted by a third party in reaching a solution to the dispute by common consent.

Arbitration:

The dispute is settled through the active intervention of a third party which either proposes a solution to the parties or imposes a solution on the parties.

**SHOW CARD SECTIONS 1 AND 2  
TYPES OF REDRESS MECHANISMS**

**2. Requesting a Consumer Organisation to take action**

The individual consumer or a group of consumers can request a Consumer Organisation for help in bringing his / their complaint under one of the redress mechanisms: (ADR, collective ADR, individual court action, Small Claims Procedure, collective action, and complaint to a public authority).

**SHOW CARD SECTIONS 1 AND 2  
TYPES OF REDRESS MECHANISMS**

**3. Possibility of complaining to a public authority**

The consumer lodges a complaint with a public authority, which will take action against the trader / services provider.

**SHOW CARD SECTIONS 1 AND 2  
TYPES OF REDRESS MECHANISMS**

**4. Individual court proceeding**

The individual consumer uses a lawyer to bring his complaint to the court.

**SHOW CARD SECTIONS 1 AND 2  
TYPES OF REDRESS MECHANISMS**

**5. Small claims procedure**

The individual consumer brings a complaint himself (without using a lawyer) to a special tribunal (in a procedure which is faster than a normal court procedure, and is used for small amounts – usually €2000 or less).

## SHOW CARD SECTIONS 1 AND 2 TYPES OF REDRESS MECHANISMS

### 6. Collective action

The consumer joins the other consumers who have been harmed by the same / a similar practice of the same trader in bringing a complaint to court.

## SHOW CARD SECTIONS 1 AND 2 TYPES OF REDRESS MECHANISMS

### 7. Collective Alternative Dispute Resolution (Collective ADR)

The multiple consumers who have been harmed by the same / similar practice of the trader / services provider use a collective procedure which is designed as an alternative to resolving disputes in a court:

#### Collective mediation:

The consumers and the trader are brought together and are assisted by a third party in reaching a solution to the dispute by common consent.

#### Collective arbitration:

The dispute is settled through the active intervention of a third party which either proposes a solution on to the parties or imposes a solution on the parties.

**SHOW CARD SECTION 2 – EXERCISE 2****Scenario 1****Small claim (small value to the individual)**

You find out that your electricity supplier has been overcharging you, and 200 000 other customers, by €5-10 each a year. The company refuses to reimburse you. What do you do?

**SHOW CARD SECTION 2 – EXERCISE 2****Scenario 2****High-value claim (high value to the individual)**

You book your annual, summer two-week package holiday. On your first night, you, along with the 100 other people on the package holiday, eat under-cooked chicken at the hotel and get salmonella poisoning. Everyone's holiday is ruined and you have to go back home. Your travel organizer refuses to reimburse you. What do you do?