

# THE RETAIL OMBUDSMAN



ANNUAL ACTIVITY REPORT TO CHARTERED TRADING STANDARDS INSTITUTE  
FOR THE PERIOD MAY 2015 – MAY 2016

(Pursuant to the Alternative Dispute Resolution for Consumer Disputes Regulations 2015)



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## 1. Introduction

- 1.1 On 5<sup>th</sup> May 2015 The Retail Ombudsman (“**TRO**”) was authorised by Chartered Trading Standards Institute (“**CTSI**”), pursuant to the Alternative Dispute Resolution for Consumer Disputes Regulations 2015, as an approved provider of alternative dispute resolution services (“**ADR**”).
- 1.2 In relation to the sectors covered by CTSI, TRO provides ADR in respect of unresolved disputes between consumers and:
  - Retailers (in relation to purchases online and instore)
  - Hotels and leisure providers
  - Restaurants
  - Airport lounges
  - Supply of home fuels (ie: oil and LPG)
  - Funeral directors
  - Health & Beauty services
  - Florists
  - British Gas (in relation to ‘non-regulated’ activities). Note: complaints in relation to regulated activities (ie: the actual supply of energy) are dealt with by Ombudsman Services.

## 2. Complaints dealt with/Membership

- 2.1 TRO deals with complaints in relation to members and non-members.
- 2.2 In relation to complaints received about non-members, TRO deals with such complaints where the non-member retailer agrees to engage with TRO and abide by its terms of reference in relation to the particular complaint. Many retailers work with TRO on this basis.

## 3. Statistics

- 3.1 Schedule 1 contains raw data in relation to domestic and cross-border complaints.
- 3.2 TRO has specifically recorded complaints relating to:
  - 3.2.1 *Complaint types:*
    - Not of satisfactory quality – *this includes complaints relating to returns due to goods being faulty*
    - Not as described
    - Late delivery
    - Cancelled/no delivery – *this includes where the retailer states goods have been delivered and the consumer claims they haven’t*
    - Out of stock – *this includes general complaints about stock levels and complaints where breach of contract is claimed as the retailer fails to deliver out of stock items despite taking the consumer’s money (ie: invitation to treat issues).*
    - Service issues- this includes customer service issues, issues with staff (being rude etc..), issues with the provision of services (including trade and British Gas complaints).

- Other- this includes 'not fit for purpose' complaints, returns complaints where the complainant 'changed their mind' and complaints relating to 'pricing'.

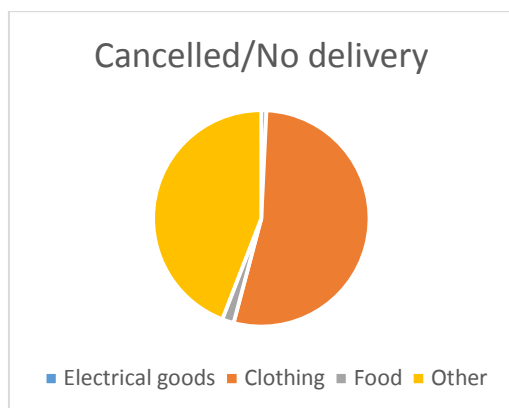
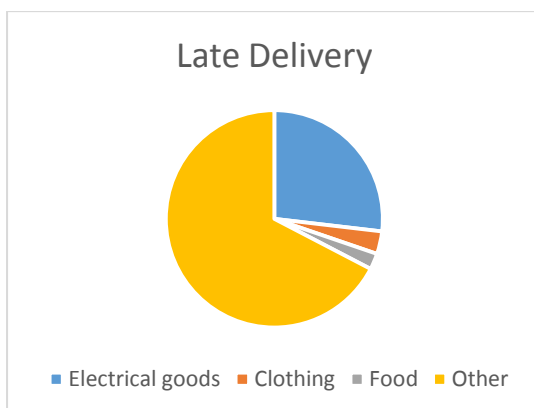
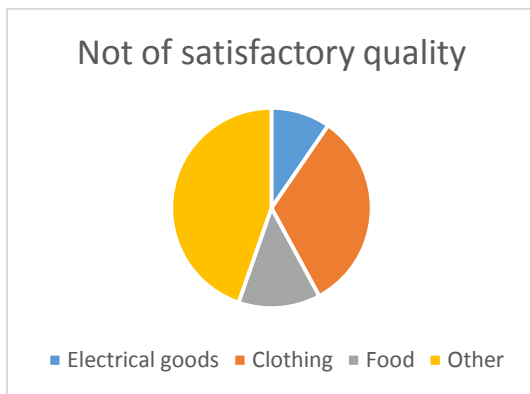
### 3.2.2 Goods/services categories:

- Electrical goods
- Clothing
- Food – which includes complaints relating to supermarkets, restaurants and takeaways
- Other - including 'trade' and British Gas complaints.

The British Gas ADR agreement commenced in March 2016 and therefore does not feature heavily in this report.

### 3.3 Stats overview

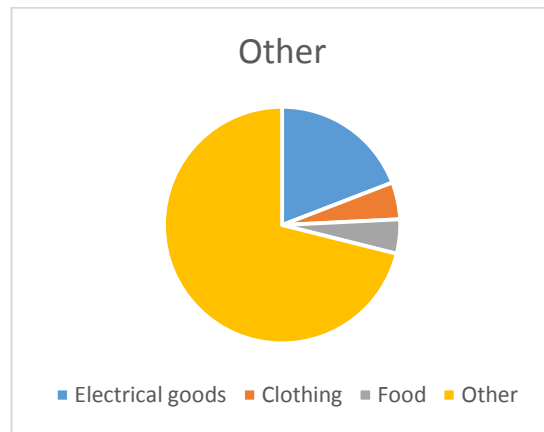
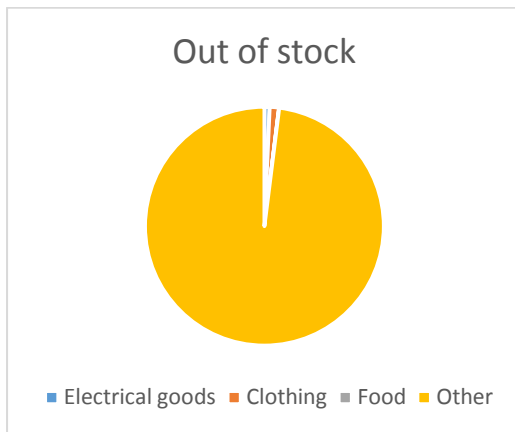
Domestic disputes per complaint type/type of goods:



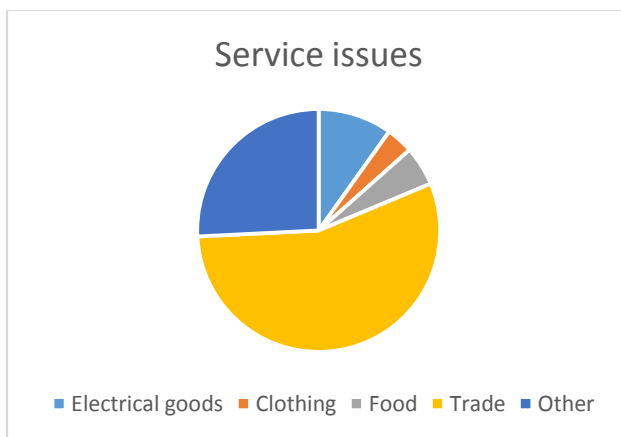
The Retail Ombudsman

Annual Activity Report to Chartered Trading Standards Institute (May 15 – May 16)

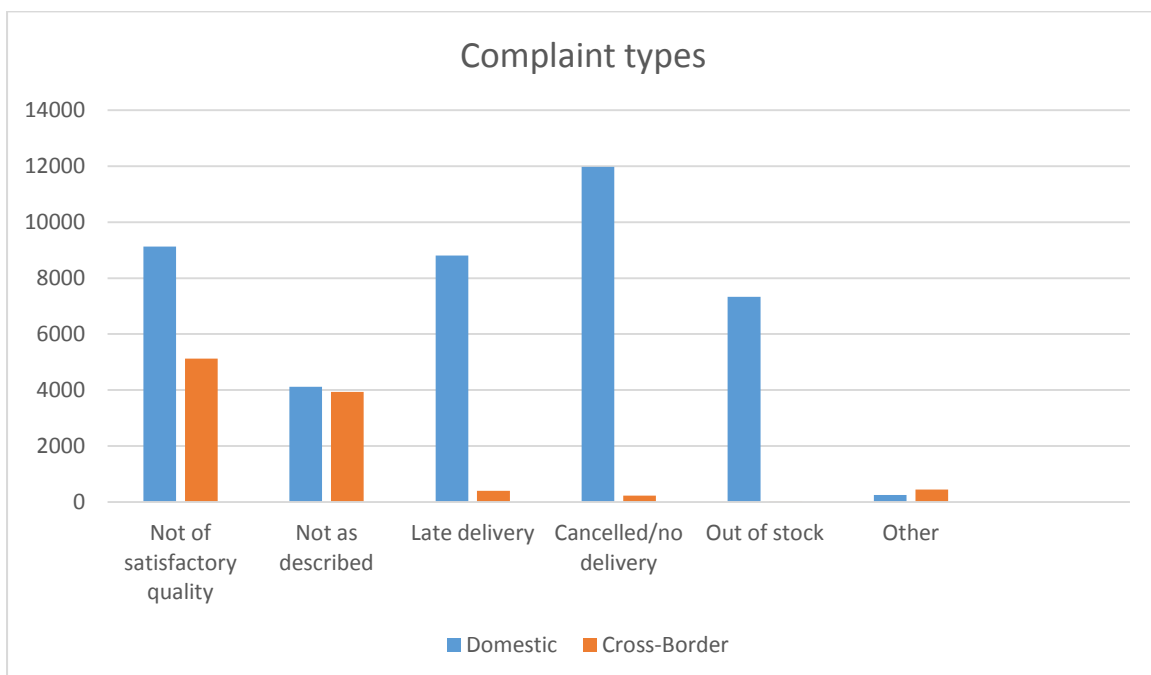
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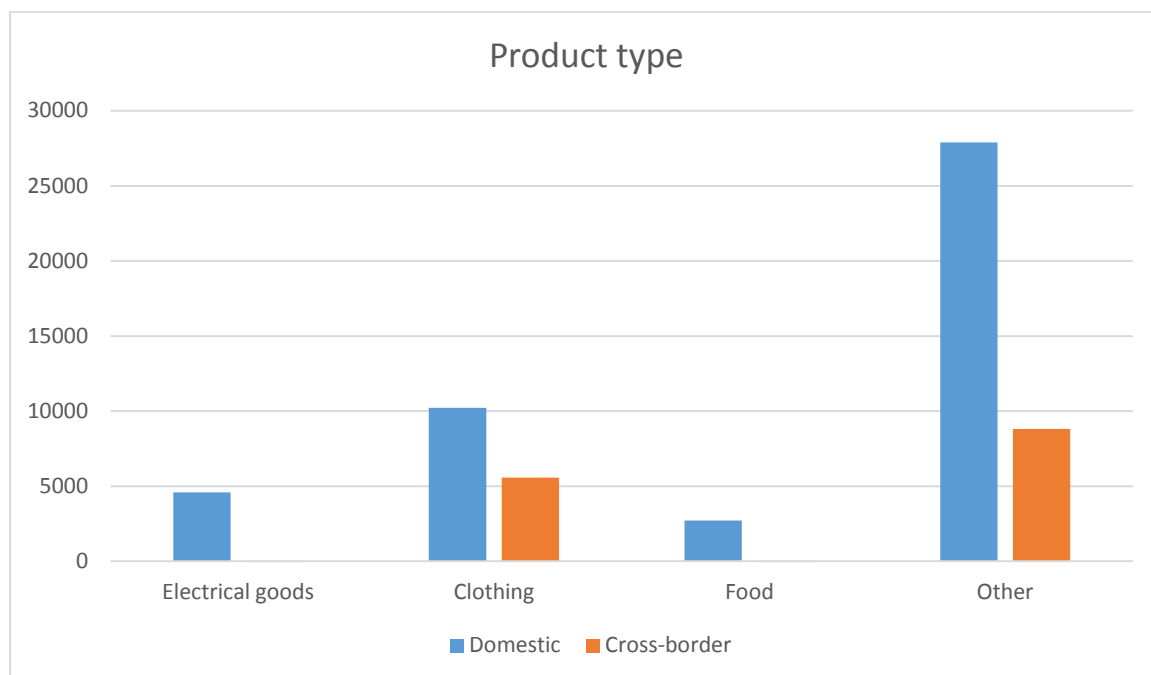


*Domestic complaints – service issues:*



*Domestic and Cross-Border complaints totals:*





#### 4. Average length of ADR procedure

The average length of TRO's ADR process has been 90 days (from the date the complaint was received), during the period applicable to this report.

#### 5. ADR procedures which were discontinued for operational reasons

TRO has no data to report here.

#### 6. Compliance with ADR outcome percentages

6.1 TRO is unable to provide accurate data in relation to compliance as we do not always receive feedback. From the information provided (calculating on a pro-rata basis):

6.1 Member compliance – 100%

6.2 Non-member compliance – 83%

6.3 Complainant compliance (where they accepted determination) – 68%

## 7. Co-operation with other ADR entities in relation to cross-border disputes

TRO has not had any opportunity to co-operate with any other ADR entity in relation to cross-border disputes. However, this is an area that is currently under development.

SCHEDULE 1  
Complaint statistics



# TRO domestic complaint stats

<u>Dispute type</u>	<u>Number of complaints (Domestic)</u>	<u>Number of complaints (Cross-border)</u>	<u>Totals</u>
<b><i>Not of satisfactory quality</i></b>			
Electrical goods	875	0	<b>875</b>
Clothing	2966	892	<b>3858</b>
Food	1209	0	<b>1209</b>
Other	4077	4233	<b>8310</b>
<b><i>Total</i></b>	<b><i>9127</i></b>	<b><i>5125</i></b>	<b><i><u>14252</u></i></b>
<b><i>Not as described</i></b>			
Electrical goods	323		<b>323</b>
Clothing	139	0	<b>139</b>
Food	629	4	<b>633</b>
Other	3022	3929	<b>6951</b>
<b><i>Total</i></b>	<b><i>4113</i></b>	<b><i>3933</i></b>	<b><i><u>8046</u></i></b>
<b><i>Late delivery</i></b>			
Electrical goods	2364	0	<b>2364</b>
Clothing	298	392	<b>690</b>
Food	211	0	<b>211</b>
Other	5930	10	<b>5940</b>
<b><i>Total</i></b>	<b><i>8803</i></b>	<b><i>402</i></b>	<b><i><u>9205</u></i></b>
<b><i>Cancelled/no delivery</i></b>			
Electrical goods	91	0	<b>91</b>
Clothing	6392	23	<b>6415</b>
Food	209	0	<b>209</b>
Other	5286	205	<b>5491</b>
<b><i>Total</i></b>	<b><i>11978</i></b>	<b><i>228</i></b>	<b><i><u>12206</u></i></b>

**Out of stock**

Electrical goods	52	0	52
Clothing	92	0	92
Food	2	0	2
Other	7209	2	7211
<b>Total</b>	<b>7355</b>	<b>2</b>	<b><u>7357</u></b>

**Other**

Electrical goods	49	3	52
Clothing	13	17	30
Food	12	0	12
Other	182	426	608
<b>Total</b>	<b>256</b>	<b>446</b>	<b><u>702</u></b>

**Service issues**

Electrical goods	839	0	839
Clothing	306	0	306
Food	447	0	447
Trade	4724	0	4724
Other	2195	4	2199
<b>Total</b>	<b>8511</b>	<b>4</b>	<b><u>8515</u></b>

**TOTALS**

<b>50143</b>	<b>Cr</b>	<b>10140</b>	<b>GRAND TOTAL</b>	<b><u>60283</u></b>
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SCHEDULE 2  
Problems encountered

# Problems encountered

## SYSTEMATIC OR SIGNIFICANT PROBLEMS OCCURING FREQUENTLY

- 1 Consumers wrongly informed in relation to what the Consumer Rights Act says and the protection it affords consumers. We have seen a significant number of references to websites and blogs run/operated by non-lawyers where the law has been mis-quoted
- 2 Consumers failing to complain to the retailer/trader first before either coming to TRO or the new UE ODR platform
- 3 Retailers/Traders having out of date terms and conditions -this is mainly seen with smaller independent retailers/traders.
- 4 Retailers/traders failing to sign post to ADR
- 5 Retailers/traders failing to engage with ADR

## HOW CAN THIS PROBLEM BE AVOIDED OR RESOLVED IN THE FUTURE

More needs to be done to educate the consumer, further information flyers etc..  
A review of non-regulated websites providing 'legal' advice to consumers to ensure the correct information is being displayed.

Promotion of best complaint practice to consumers. In relation to the EU ODR platform this needs to filter complaints where the consumer has bypassed the retailer at the start of the complaint form

This has been a common theme - by way of example many still refer to 'distant selling regulations' and quote 7 days. TRO has introduced the 'accredited retailer' scheme to encourage retailers to get their t&c's updated and to adopt best practices across the board.

Many retailers are still failing to sign post to ADR and to the EU ODR platform. The general consensus appears to be that these provisions will not be enforced.

Whilst a high number of retailers/traders have engaged with TRO there are still brands that will not engage. To make ADR fully successful it should be made mandatory.

SCHEDULE 3  
Reasons for refusing complaints

## Reasons for refusing complaints

<b>Reason for refusal</b>	<b>No of complaints refused</b>	<b>Percentage of overall number of refused complaints</b>
(a) failure to contact trader first	3928	66%
(b) Complaint frivolous/vexatious	1993	33%
(c ) Dispute previously considered by another ADR provider or court	2	0.03%
(d) Value of claim falls below threshold	N/A	0%
(e ) Complainant has submitted complaint outside specified time period	28	0.50%
(f) Dealing with the dispute would seriously impair the effective operation of TRO	3	0.05%
<b>TOTAL</b>	<b>5954</b>	