

Independent Arbitration Service for domestic consumers

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1 Introduction

- 1.1 The Independent Arbitration Service for domestic consumers (the Service) is provided by IDRS Limited (IDRS) on behalf of RECC. The Service has been designed to resolve disputes between consumers and member companies of RECC (Members). The Service is the final stage of the RECC complaints procedure as set out in the Consumer Code (the Code).
- 1.2 A consumer can apply to use the Service if he/she has been unable to resolve their dispute in line with the RECC complaints process, or if they have been unable to resolve their dispute through the IDRS Conciliation Service. In some circumstances, RECC may permit a consumer to apply for arbitration without having made use of mediation or independent conciliation.
- 1.3 Use of the Service is mandatory for Members when an application is made by a consumer.
- 1.4 If the period between the consumer first having complained in writing to the RECC member and the consumer receiving the arbitration application form from RECC exceeds 12 months, the consumer must submit an application to IDRS within 3 months of receiving the application form. Otherwise, the consumer must submit an application to IDRS within 15 months of first having complained in writing to the RECC member.
- 1.5 All arbitrations under the Service will be governed by the provisions of the Arbitration Act 1996 or any statutory modification or re-enactment thereof for the time being in force (the Act) and these Service Rules. All arbitrations will be deemed to take place in London, U.K.
- 1.6 The Service cannot be used for:
- (a) any claim for compensation exceeding a total of £25,000.00; or
 - (b) any claim for compensation for personal injury, illness, shock or their consequences.
- 1.7 The Service cannot be used where:
- (a) the same consumer has brought a claim against the same Member regarding the same subject matter before a court or tribunal or equivalent body, which has jurisdiction over the claim and the parties and which has jurisdiction to issue, or has already issued, a legally binding and final determination regarding the claim.
 - (b) the same dispute is actively being investigated by another dispute resolution body (including, but not limited to, the Financial Ombudsman, the Energy Ombudsman or an MCS Certification Body).
- 1.8 In considering the parties' cases, the arbitrator will take the Code and the RECC Bye-Laws into consideration.

- 1.9 A consumer may appoint a representative to make an application on their behalf. If the consumer wishes to do so, they must provide IDRS with their written permission for this representative to act on their behalf.

2 Applying for arbitration

- 2.1 If the consumer wishes to proceed to the Arbitration Service, they must first notify RECC. RECC will inform the consumer how to apply and provide a copy of the prescribed application form. In order to use the Service, the consumer must send a completed application form to IDRS with the appropriate supporting materials, as specified in Rule 4.1 below (together 'the Claim Documents'), along with the appropriate registration fee (as set out on the application form).
- 2.2 Where the consumer wishes to use the Service, the Member must agree to use the Service. The Member is required to pay a separate registration fee directly to IDRS along with their defence to the claim. It is a condition of the RECC Bye Laws that Members must pay the Arbitration Scheme Case Fee to IDRS when requested to do so. Failure to do so will result in appropriate action by RECC, as set out in the RECC Bye-Laws. In these situations, IDRS will notify RECC of the member's failure to pay the Case Fee within the appropriate timeframe. RECC will then agree to pay the Case Fee on behalf of the member and will recover the monies from the member separately.
- 2.3 Registration fees are non-returnable except as provided for in Rule 2.7 and Rule 4.6(b).
- 2.4 The arbitration begins on the date that IDRS sends correspondence to the parties telling them that the consumer's application has been accepted.
- 2.5 Upon receipt of the Claim Documents from the consumer, IDRS will appoint an Arbitrator from its Panel of Arbitrators and inform the parties of the appointment.
- 2.6 If the Arbitrator considers that the dispute is not capable of proper resolution under these rules, the parties will be so advised. In that case the Arbitrator's appointment will be cancelled, the application for arbitration will be treated as withdrawn and the registration fees will be refunded to both parties.
- 2.7 Once appointed, the Arbitrator will communicate with or issue directions to the parties through IDRS. All correspondence with the Arbitrator will be copied to all parties and IDRS.

3 Arbitration procedure

- 3.1 The Arbitrator will have the widest discretion permitted by law to resolve the dispute in a final manner in accordance with natural justice. In particular, the Arbitrator has the power to direct the procedure of the arbitration, including varying time limits and other procedural requirements, and to:

- (a) allow the parties to submit further evidence and/or amend any of the submissions already made;
 - (b) order the parties to produce goods, documents, property or other items for inspection;
 - (c) conduct enquiries and receive and consider additional evidence as the Arbitrator considers appropriate;
 - (e) award interest on any sum awarded, even if not claimed;
 - (f) proceed with the arbitration if either party fails to comply with these Rules or with the Arbitrator's directions;
 - (g) end the arbitration if the Arbitrator considers the case to be incapable of resolution under the Service, or if the parties settle their dispute prior to an award being made. If the case is settled, both parties must immediately inform IDRS and RECC in writing of the terms of the settlement;
 - (h) order the consumer to pay the Member any outstanding fees.
- 3.2 The arbitration will proceed on the basis of written argument and evidence. No oral hearing will be convened as part of the arbitration.
- 3.3 The arbitration will proceed as follows:
- 3.3.1 IDRS will send a copy of the Claim Documents to the Member, who has fifteen working days from the date on which the Claim Documents were sent in which to either submit a written defence to the claim (the Defence), prepared in accordance with Rule 4.4 below, or to notify IDRS in writing that the claim has been settled. If no defence or notification of settlement is submitted after fifteen working days, the Arbitrator will proceed with the arbitration as he/she sees fit.
 - 3.3.2 Where a notification of settlement is submitted to IDRS in writing by both parties, the Arbitrator will have the power to bring the arbitration to an end.
 - 3.3.3 On receipt of the Member's Defence (if any), IDRS will send a copy to the consumer, who is entitled to submit written comments within a further ten working days from the date on which the Defence is sent as indicated in the covering communication. Such comments must be restricted to points arising from the Defence, and shall not introduce any new claim, assertion or evidence.
 - 3.3.4 IDRS will send a copy of the consumer's comments to the Member. The Member cannot make any further comments without the Arbitrator's written approval.

- 3.3.5 On receipt of all submissions, documents and evidence, IDRS will send the complete case file to the Arbitrator. The Arbitrator will consider all documentation and other evidence and may, via IDRS, ask for further information from the parties.
- 3.3.6 Within twenty working days of the case file being sent to the Arbitrator, or of the date on which the last of the information required by the Arbitrator is submitted to him/her, IDRS will send a copy of the Arbitrator's Award to each party and to RECC, who are entitled to inspect a copy of the Award for monitoring purposes.
- 3.4 Unless otherwise directed by the Arbitrator, all parties shall comply with the Award within fifteen working days of the date on which the Award is sent to the parties.
- 3.5 Any award made under the Arbitration Service is final and legally binding on all parties, subject to either party's right under the provisions of the Act to seek leave to appeal in the courts.
- 3.6 Any party may request the return of its original documents from IDRS but must do so within twenty working days of the date on which the Arbitrator's Award was issued. If no such request is made within twenty working days, IDRS will securely destroy the documents.
- 3.7 If the Arbitrator finds in favour of the consumer, he or she will order the Member to refund the consumer's registration fee.

4 Content of submissions for arbitration

- 4.1 The Claim Documents shall include:
- (a) the nature and basis of the claim;
 - (b) the amount of compensation claimed or other remedy sought;
 - (c) all supporting documents relied on as evidence;
 - (d) confirmation that all reasonable efforts have been made to resolve the dispute through the RECC complaints procedure, or confirmation that the parties have been unable to resolve their dispute through the IDRS Conciliation Service (if used).
- 4.2 An award cannot be made for any amount that is more than the total amount claimed on the application form. This Rule does not affect the arbitrator's power under Rule 3.1(e) above to award interest on any sum awarded, even if not claimed.
- 4.3. The Defence shall include:
- (a) what matters in the Claim Documents are accepted or agreed;
 - (b) what matters are disputed, with reasons why;

- (c) details of any outstanding amounts which remain unpaid by the consumer, and any associated counterclaim for such amounts;
- (d) any supporting documents relied on as evidence in support of their response.

4.4 In the reply to the Defence, the consumer must state which matters in the Defence are now accepted, and the matters which remain disputed, with reasons.

4.5 If any party fails to deliver anything required by the Arbitrator, the Arbitration shall proceed as the Arbitrator considers appropriate.

5 Costs

5.1 The registration fees paid by the parties constitute a contribution towards IDRS's administration fee and the Arbitrator's fee. The balance is paid by RECC.

5.2 Subject to rules 5.3 and 5.4 below, each party shall bear its own costs of legal representation, and of preparing and submitting its case. No legal action may be brought to recover these costs. (It should be noted that the Service has been set up as a means of low-cost dispute resolution. The parties are therefore not encouraged to make arrangements for legal representation, however in some circumstances they may feel this is necessary.)

5.3 The Arbitrator will award that the Member must reimburse the consumer their registration fee if the consumer is successful in their application. Alternatively, the Arbitrator may award that the consumer must reimburse all or part of the Member's registration fee where the Arbitrator finds that the consumer has acted unreasonably and caused the Member unnecessary expense.

5.4 These provisions for costs will not apply to any appeal of the Award to the courts.

6 Confidentiality

6.1 Both the consumer and the Member undertake not, at any time, to disclose to any person any details of the Arbitration, except where necessary to uphold the Award.

6.2 IDRS will provide a copy of the Award to RECC for monitoring purposes. RECC may also provide a copy of the Arbitration Award to the Compliance Team and/or the Non-Compliance Panel if appropriate.

6.3 IDRS may gather and retain details, in summary form, of individual cases and, while preserving the anonymity of the parties, may publish such summaries on its website and to other arbitrators as a resource in order to encourage consistency of practice under these rules. IDRS may also publish statistical and outline information on such disputes whilst preserving the anonymity of the parties.

7 General

- 7.1 The law of England and Wales shall apply to the Arbitration. The seat of the arbitration shall be London. The Arbitrator shall determine the applicable law of the contract.
- 7.2 All references to 'working days' in these Rules shall be interpreted by reference to public and bank holidays in England and Wales.
- 7.3 IDRS will appoint a substitute Arbitrator if the Arbitrator originally appointed is unable to deal with the dispute for any reason. IDRS will inform the parties and RECC if such an appointment is made and reasons for that appointment.
- 7.4 With the exception of amending the Award following any minor error or omission which the Arbitrator has power to correct by law, neither IDRS nor the Arbitrator will enter into correspondence relating to the Award.
- 7.5 Neither IDRS nor the Arbitrator will be liable to any party for any act or omission in connection with any Arbitration conducted under these Rules, save for any wrongdoing on the part of the Arbitrator arising from bad faith.
- 7.6 These Rules are subject to revision and amendment from time to time. The edition of the Rules in force at the time the application is made will govern any Arbitration under the Service.