

## Legal Regulation & Education: Doing the Right Thing?

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### The EU Regulation on ODR: Doing the 'Right Thing' for Consumers?

Online Dispute Resolution (ODR) has been considered by academics and regulators for some time. More recently, both sectors have reached something of a crescendo as the United Nations Commission on International Trade Law (UNCITRAL) moves towards the production of its procedural rules and guidelines on cross-border ODR for e-commerce transactions, and the European Union look forward to the implementation of new rules on ADR /ODR by July 2015.

'Reputational' and 'Consumer Review' systems, whereby consumers can feedback, comment, and rate suppliers also boast a long history and are enjoying a rise to considerable prominence in the everyday routine of commercial activity .

This paper examines the relationship between these two distinct approaches to addressing disputes arising from situations where a consumer believes that his expectations have not been met and seeks an outlet for 'redress'.

The objective of the research is to test the hypothesis that, in relation to the subject matter and types of transactions targeted by the proposals and legislation (primarily high-volume, low-value), the use of reputational systems is more likely to become the most efficient and effective means by which a consumer can seek to obtain redress.

Consequently, the hypothesis lends itself to the conclusion that whilst there is undoubtedly an important role to be played by ADR and ODR as alternatives to litigation, there exists an equal, if not more compelling, argument for closer inspection from a regulatory perspective of the merits and demerits of the consumer review 'industry' and the potential that exists for abuse of the systems employed.