Alternative dispute resolution (ADR) for consumer disputes in the Slovak republic

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Abstract

This paper aims to analyse alternative dispute resolution (ADR) for consumer disputes in the Slovak Republic according to Act No. 391/2015 Coll. on consumer alternative dispute resolution as amended. Through this act Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) has been transposed into Slovak law. Author of the paper used scientific methods of analysis, comparison, deduction, induction and synthesis. She tried to evaluate the application of consumer ADR by Slovak ADR entities, development of ADR between 2016 and 2019, current situation, and to provide conclusions and suggest changes for future.

Key words

ADR procedure, ADR entity (national identity), ADR authority, authorized legal persons, domestic disputes, consumer, trader

JEL Classification: K 39, K 49, D 18

Introduction

Act No. 391/2015 Coll. on consumer alternative dispute resolution (Act on consumer ADR) has been adopted at the end of 2015. This act transposed into Slovak law two EU legislative acts: Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) and Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR). (Hučková, 2016, p. 52)

Both the Directive on consumer ADR as well as the Act on consumer ADR have the same purpose: Through the achievement of a high level of consumer protection, to contribute to the proper functioning of the internal market by ensuring that consumers can, on a voluntary basis, submit complaints against traders to entities offering independent, impartial, transparent, effective, fast and fair alternative dispute resolution procedures. (Article 1 of the Directive on consumer ADR, Explanatory memorandum to the Act on consumer ADR)

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This Directive shall apply to procedures for the out-of-court resolution of domestic and cross-border disputes concerning contractual obligations stemming from sales contracts or service contracts between a trader established in the Union and a consumer resident in the Union through the intervention of an ADR entity. (Article 2 (1) of Directive on ADR disputes)

This paper focuses on alternative dispute resolution for consumers in the Slovak Republic according to Act on consumer ADR, its application by consumers and ADR entities on the results of proceedings of ADR on consumer disputes.

1 Literature review

The main sources of this paper are Explanatory memorandum to the Act on consumer ADR and the Directive on consumer ADR. The web site of the Ministry of Economy of the Slovak Republic and annual activity reports of ADR entities from the years 2016 – 2019 published on their websites were significant sources of applied research. Other major sources include Basics of Law in Tourism for Economists by Magurová et al. with important comparative information concerning consumer arbitration and alternative dispute resolution and paper New Mechanism of Consumer Rights Enforcement by Hučková who is an excellent author focusing on out-of-court dispute resolution.

2 Methodology

The objective of this paper is not only to describe the ADR procedure in the Slovak Republic but also to provide an overview of the application of the Act on consumer ADR by ADR entities, ADR development and use, its advantages and also potential deficiencies.

The main subjects of the research are ADR entities performing their activities in the Slovak Republic and their procedures for dispute settlement. ADR entities are not only state authorities, but also authorized legal persons such as consumer associations or associations of legal persons included in the list of ADR entities.

The main methods used in this paper include analysis, comparative method, synthesis, deduction and induction. Firstly, we tried to analyse not only the Act on consumer ADR together with the Directive on consumer ADR but in particular, information obtained from annual activity reports of ADR entities solving domestic disputes. After analysis of annual activity reports, we tried to compare various types of information to find similarities, but also differences, generalizations and conclusions in consumer alternative dispute resolution by using the methods of deduction, induction and synthesis.
3 Results and discussion

3.1 ADR proceedings

According to Section 2 (3) of the Act on consumer ADR, parties to the dispute are a consumer who submit an application and a trader against whom the application (complaint) is directed. Consumer means any natural person who acts for purposes which are outside his trade, business, craft or profession. Trader means any person (natural or legal) irrespective of whether privately or publicly owned, who acts, including through any person acting in his name or on his behalf, for purposes relating to his trade, business, craft or profession. (Article 4 (1) of the Directive on consumer ADR).

According to Section 1 (4) of the Act on consumer ADR, it shall not apply to:

- disputes initiated by a trader against a consumer,
- communication between consumer and trader for purpose of exercising rights of a consumer and resolving consumer dispute before the consumer’s request to remedy is filled,
- disputes resolved by trader or third person, who is with the trader in an employment relationship or equal legal relationship,
- disputes related to services of general interest carried out free of charge,
- disputes concerning health-care and health-care related services,
- disputes covering further education or university education provided by public or state providers.

ADR entity is defined as ADR authority listed directly in the Act on consumer ADR and the authorized legal persons included in the list of ADR entities kept by the Ministry of Economy of the Slovak Republic. According to Section 3 (2) of the Act on consumer ADR, ADR authorities are the following institutions: Regulatory Office for Network Industries (Úrad pre reguláciu sieťových odvetví, URSO), Regulatory Authority for Electronic Communications and Postal Services (Úrad pre reguláciu elektronických komunikácií a poštových služieb, UREKPS) and Slovak Trade Inspection (Slovenská obchodná inšpekcia, SOI). Slovak Trade Inspection plays also the role of the residual ADR entity, which reflects the requirement for the member states to provide for the creation of a residual ADR entity that deals with disputes for the resolution of which no specific ADR entity is competent. Exceptions from the competency of the Slovak Trade Inspection are disputes arising from the provision of financial services because the authority for consumer protection in the financial market is the Ministry of Finance of the Slovak Republic. (Explanatory memorandum, Article 24 of the Directive on consumer ADR)

Authorized legal persons are included in the list of ADR entities published by the Ministry of Economy of the Slovak Republic. As at the date of this paper the list includes the following entities: Consumer Protection Society (S.O.S.) Poprad (Spoločnosť ochrany spotrebiteľov (S.O.S.) Poprad); OMBUDSPOT, Association for Protection of Consumers’ Rights (OMBUDSPOT, združenie na ochranu práv spotrebiteľov, ZNOPS); Slovak Insurance Association (Slovenská asociácia poisťovní, SLASPO); Social and Legal Advisory Services Association for All (Združenie sociálno-právne poradenstvo pre každého) and Slovak Banking Association (Slovenská banková asociácia, SBA). (MH SR.sk, 2018)
The only ADR entity included in the list published by the Ministry of Economy of SR but not in the list of ADR entity drawn up by the European Commission is OMBUDSPOT, ZNOPS.

ADR entities must ensure that natural persons in charge of ADR processes fulfil the requirements specified in Article 6 (1) of the Directive on consumer ADR, mainly the **expertise, impartiality and independence**. Pursuant to Section 8 (2) and (3) of Act on consumer ADR natural person in charge of ADR must have full legal capacity and integrity, be credible, have a Master degree in law and at least one year of professional experience in resolving disputes or Master degree and at least three years of professional experience in resolving disputes. These persons have to be in an employment relationship or in a civil-servant relationship to the ADR entity or be a member of the ADR entity, a statutory body or a member of the statutory body of the ADR entity.

According to Section 2 (2) of the Act on consumer ADR, alternative dispute resolution is a procedure of ADR entity according to this act, the objective of which is an amicable settlement of a dispute between the parties to the dispute. A consumer who is not satisfied with the method of handling the complaint determined by the trader or who has reasonable grounds to believe that his rights have been breached has the right to **request a remedy**. The consumer is entitled to initiate the ADR proceedings if the trader does not accept his request for remedy or if the trader stays passive and did not answer in 30 days from the date of posting the request for remedy. (Section 11 of the Act on consumer ADR)

The ADR proceedings start from the date of receipt of a complete application by the ADR entity. (Section 14 (1) of the Act on consumer ADR) Principles of ADR proceeding include not only dispositive principle, impartiality, independence and expertise of the natural person in charge of ADR entity, but also the obligation of professional secrecy, the principle of independent evaluation of evidence, the principle of efficiency and speed of the procedure and adversarial (contradictory) procedure. The **principle of speed and efficiency of the procedure** is connected with 90 days’ period given for ADR proceedings, which may be in particularly complex cases extended by 30 days, even repeatedly. This objective should be achieved mainly by telephone contact and electronic means of communication (Section 16 of the Act on consumer ADR). The Act, as well as Directive on ADR on consumer disputes, put emphasis on electronic means of communication such as e-mail, which has to be demonstrably used by the party to the dispute what is secured by receipt confirmation. The speed and efficiency of proceedings are to be achieved by the fiction of delivery (in online and offline contact) which means that a document is deemed to have been delivered within 3 days from its sending. (Magurová, 2016, p. 169, Explanatory memorandum) Effectiveness of the ADR procedure also means that parties to the dispute are not obliged to retain a lawyer or a legal advisor and the ADR procedure is free of charge or available at a nominal fee for consumers (Article 8 of the Directive on consumer ADR). From ADR entities included in the list maintained by the Slovak Ministry of Economy only one of them, OMBUDSPOT, ZNOPS, charges the maximum fee of 5 euro.

The alternative dispute resolution proceeding can be concluded in various ways. An ADR entity can suggest a proposal of agreement between parties to the dispute, issue a non-binding reasoned opinion or set aside the proposal. The ADR procedure may also be terminated by one of the other reasons listed in the Act on consumer ADR, such
as death or declaration of the death of the party which is a natural person or dissolution of a party which is a legal entity without the legal successor (objective legal facts) or by removing the authorized legal entity from the register (Section 20 (1) of the Act on consumer ADR). The expiration of 90 days’ period (or additional period) is also a ground for terminating ADR proceedings to avoid undue delay. (Explanatory memorandum)

**Draft agreement on a resolution of the dispute** must contain according to the Section 17 (2) of the Act on consumer ADR following detailed information: names of ADR entity and natural person in charge of ADR and names of the parties to the dispute, subject matter of the dispute, description of the facts and procedure of ADR entity, legal provisions applied by the ADR entity, proposal for modification of rights and duties of the parties, information about binding legal force of the consent of the parties with the draft agreement and date of preparation of the draft agreement. Agreement on a resolution of the dispute should be concluded personally or consent of the parties should be sent in written form by post or electronically under the principle of speed and efficiency of the procedure. (Explanatory memorandum)

**A reasoned opinion** is issued when the agreement on the resolution of the rights has not been reached and the authorized natural person in charge of ADR reasonably concludes that the rights of the consumer were breached or violated by the trader. The reasoned opinion includes also conclusion with a specification of provisions of the Act on consumer ADR or other specified act and justification of the decision, which includes a description of circumstances, evidence offered to issue the opinion and procedure of assessment of evidence by ADR entity. The reasoned opinion is not legally binding and has just an informal character. However, it may be significant support for consumers who intend to claim their rights before courts. The purpose of this legal provision is to strengthen the enforcement of consumer’s rights. (Explanatory memorandum; Magurová, et al. 2016, p. 170)

There are many reasons for setting aside the proposal (postponing) set out in Section 19 (1) of the Act on consumer ADR. These procedural situations occur after the opening of the ADR proceeding. It is, for instance, the principle of competency of other ADR entity, which initiated the proceedings first or situations when the proceedings before the court, arbitration body or ADR entity have been already terminated (res iudicata). The proposal is set aside also for reasons attributable to the consumer such as not assisting the ADR entity in solving disputes or decisions of consumers to terminate the participation in alternative dispute resolution proceedings. (Explanatory memorandum)

### 3.2 Transparency

Transparency of ADR procedure means that ADR entities are obliged to make publicly available on their websites clear and easily understandable information on:

- their contact details including postal and e-mail address,
- the fact that ADR entity is listed by the Ministry of Economy of SR and also by the European Commission and the date of the entry in the list,
the natural persons in charge of ADR (name, surname, academic title including the length of their mandate),
their membership in networks of ADR entities facilitating cross-border dispute resolution, if applicable,
the types of disputes they are competent to deal with,
the legal provisions and the procedural rules governing the resolution of a dispute,
the payment-free resolution of a dispute or the costs to be borne by the parties,
the language in which application can be submitted and the ADR procedure is conducted,
the fact that consumer can withdraw from the procedure at any stage of the proceedings,
the average length of the ADR procedure (if ADR entity is entered in the list at least one year),
the binding force and the legal effect of the outcome of the ADR procedure.
(Section 10 (1) of the Act on consumer ADR, Article 7 (1) of the Directive on consumer ADR)

ADR entities are obliged to publish on their websites annual activity reports which have to include the following information:
the number of disputes solved and the types of complaints to which they related;
the most frequent problems that lead to disputes between consumers and traders;
the rate of disputes the ADR entity has refused to deal with and the percentage share of the types of grounds for such refusal;
the percentage share (rate) of ADR procedures which were discontinued and the reasons for their discontinuation;
the average time taken to resolve disputes;
the rate of compliance, if known, with the outcomes of the ADR procedures;
cooperation of ADR entities within networks of ADR entities which facilitate the resolution of cross-border disputes, if applicable;
measures to ensure advanced training of natural persons in charge of ADR;
the effectiveness and proposals for improvement of ADR.
(Section 10 (3) of the Act on consumer ADR, Article 7 (2) of the Directive on consumer ADR)

Based on this kind of information publicly available on websites of ADR entities, we were able to make conclusions regarding the development of ADR procedures in the Slovak Republic. We focused on all ADR entities operating in this area during the years 2016 - 2019.

Social and Legal Advisory Services Association for All has been included in the list of ADR entities since May 7th, 2018. This is maybe one of the reasons why it received and solved in that year only one dispute terminated in 12 hours. In the annual activity report chairwoman Hofmannová stressed the importance of cooperation of consumers, their promptness in responding to the request of ADR entities to submit necessary information or documents to avoid undue delay in proceedings. She noted there are no administrative penalties imposed on the consumer. In 2019, this civil association did not receive any application for ADR proceedings. (mediacenecentrummagnolia.sk, 2020)
Another ADR entity included in the list from 1st January 2017 is the Association for Protection of Consumers’ Rights - OMBUDSPOT that received only two applications in 2017. The first consumer dispute was dismissed because of an incomplete application (not amending the application by the consumer). The second one was terminated by the agreement on the resolution of the dispute. The length of the ADR procedure was 8 hours, its effectiveness 50%. In 2018, OMBUDSPOT, ZNOPS solved two disputes. Both applications were dismissed, so the effectiveness of the ADR procedure was 0%, the length of the ADR procedure was 5 hours. The chairwoman Mezenská emphasized the obligation of a consumer to submit all necessary facts and documents in time and the question of financing ADR proceedings by entities which are not supported from the State budget. (Ombudspot.sk, 2020)

In 2019, this consumer association received three applications but none of these applications was terminated in that year. One agreement on consumer dispute was concluded in 2020, another ADR procedure was leading to the conclusion of the agreement and in one dispute the complaint was lodged to the Slovak Trade Inspection (because of failure to provide cooperation by the trader). The average length of the ADR dispute was 10 hours. (Ombudspot.sk, 2020)

| ADR entity     | 2016 | 2017 | 2018 | 2019 |
|----------------|------|------|------|------|
| URSO           | 24   | 22   | 9    | 18   |
| UREKPS         | 18   | 18   | 7    | 8    |
| S.O.S. Poprad  | 27   | 28   | 11   | 14   |

Source: Data summarised based on annual activity reports of URSO, UREKPS, S.O.S. Poprad from period of 2016 – 2019

Other three compared ADR entities include two state authorities, Regulatory Office for Network Industries (URSO) and Regulatory Authority for Electronic Communications and Postal Services (UREKPS) and one private association, Consumer Protection Society (S.O.S.) Poprad. We chose them together because of the similarities in the number of cases resolved and some other similar features. As we can see in Table 1, selected ADR entities resolved a comparable amount of cases in the years 2016 – 2018. The number of disputes resolved by each ADR entity in the period between 2016 and 2017 is very similar; however in 2018 the number of cases reduced radically (less than a half). Only the annual activity report of S.O.S. Poprad noted this fact and set itself the task of finding the reason for the occurred situation. In 2019, the number of cases dealt with by UREKPS and S.O.S. Poprad slightly increased and doubled only in the proceedings of resolving the disputes by URSO.
Tab. 2  Number of dismissed applications, postponed applications (including voluntary acceptance by trader), agreements and reasoned opinions

| ADR entity    | 2016       | 2017       | 2018       | 2019       |
|---------------|------------|------------|------------|------------|
| UREKPS        | 8 / 8 / 1 / - | 15 / 3 / 1 / - | 1 / 6 / - / - | - / 9 / - / - |
| S.O.S. Poprad | - / ? / 4 / ? | - / 9+? / 4 / ? | - / 4 / 1 / 6 | 1 / 1 / 1 / 9 |

Source: Data summarised based on annual activity reports of UREKPS and S.O.S. Poprad from period of 2016 - 2019

**S.O.S. Poprad** is also the only subject from the three compared entities which in the period between 2016 and 2018 did not dismiss any application (see Table 2). It terminated the ADR procedure by the most agreements on the resolution of the dispute (overall 8 in the period between 2016 and 2017). In 2017, this consumer association prematurely ended nine ADR proceedings when the trader voluntarily accepted consumer’s requirements, and almost 47% of the disputes solved in favour of the consumer (in the next year it decreased to 27%). They proposed the amendment to the legislation on ADR procedure by another way of terminating disputes (Section 20 of the Act on ADR procedure) and that is terminating by the voluntary acceptance of the trader (now it is included in the reasons for postponing ADR disputes in Section 19 (1) of the Act on consumer ADR). This consumer association issued several reasoned opinions, too. In the years 2018 and 2019 reasoned opinions represented more than 50% of cases resolved by S.O.S. Poprad. They proposed the reasoned opinion with the legal force of the arbitration award. (Sosspotrebitelov.sk, 2020)

Tab. 3  Average length of the procedure

| ADR entity    | 2016       | 2017       | 2018       | 2019       |
|---------------|------------|------------|------------|------------|
| URSO          | 102 days   | 110 days   | 110 days   | 60 days    |
| UREKPS        | 76 days    | 75 days    | 86 days    | 80 days    |
| S.O.S. Poprad | 3 months   | 3 months   | 3 months   | 3 months   |
| SBA           | 46 days    | 43 days    | 34 days    | 32 days    |
| SLASPO        | -          | 70 days    | 84 days    | 51 days    |
| SOI           | 2 months   | 2 months   | 2 months   | 2 months   |

Source: Data summarised based on annual activity reports of URSO, UREKPS, S.O.S. Poprad, SBA, SLASPO, SOI from period of 2016 – 2019

According to Table 3, the average length of the ADR procedure of the first three subjects in the period between 2016 and 2018 is around three months (75 days – 3 months). As we can see from Table 1 and Table 3 the length of the procedure does not depend on the number of cases dealt with by the ADR entity. Only the average length of the ADR procedure of URSO was longer, around three and half months (from 102 – 110 days), but in 2019 it was reduced by almost half (60 days) by S.O.S. Poprad. They proposed a legislative change so that the reasoned opinion would have the legal force of the arbitration award. (Sosspotrebitelov.sk, 2020)
Tab. 4 Number of received applications for ADR

| ADR entity     | 2016 | 2017 | 2018 | 2019 |
|----------------|------|------|------|------|
| SBA            | 68   | 176  | 128  | 56   |
| SLASPO         | -    | 75   | 133  | 128  |
| SOI            | 265  | 256  | 279  | 282  |
| SOI by electronic means | 145  | 126  | 148  | 168  |

Source: Data summarised based on annual activity reports of SBA, SLASPO and SOI from period of 2016 – 2019

ADR Institute of the SBA included in the list of ADR entities in April 2016 received 68 applications for ADR procedure during the first year (from all 333 applications). Since July 2016, it has become a member of an international network of entities resolving disputes alternatively in financial services FIN – NET. In 2017, it received altogether 303 applications, 176 of them as the ADR entity, and the rest, 127 applications derived from the breach of Code of Conduct on consumer protection. In the next year, the ADR Institute of the SBA solved entirely 156 disputes, 128 of them as the ADR entity, and only 28 according to the Code of Conduct on consumer protection. It is interesting to note that the proportion of application for ADR disputes is increasing in comparison with the applications for breach of the Code of Conduct on consumer protection. What we should appreciate are short periods for solving ADR disputes (see Table 3) (Institu-ars.sk, 2020).

Slovak Insurance Association (SLASPO) has been included in the list of ADR entities since 4th April 2017 and the Insurance Ombudsman office has been established. According to Table 3, the average length of ADR procedure in the period between 2017 and 2018 was from 70 to 84 days what was still within 90 days stated in the Act on consumer ADR. In 2019, the average length of the ADR procedure was considerably shortened to 51 days. As we can see in Table 4, in the first year, the Insurance Ombudsman received 75 applications for ADR. In 2018, there was an increase of 62% in received applications as compared to the previous year. Next year it received a very similar number of applications.

Tab. 5 Number of terminated ADR disputes by dismissing applications, postponing applications and concluding on agreements by SLASPO

| SLASPO | dismissed applications (facultative and obligatory) | postponed applications (consumer rights have not been breached) | postponed applications (voluntary fulfilment of the trader) | agreements |
|--------|-----------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|------------|
| 2017   | 42%                                                 | 27%                                                          | 14%                                                         | 10%        |
| 2018   | 54%                                                 | 20%                                                          | 13%                                                         | 2%         |
| 2019   | 57%                                                 | 25%                                                          | 11%                                                         | 4%         |

Source: Data summarised based on annual activity reports of SLASPO from period of 2017 – 2019
According to Table 5, we can also note that in the period between 2017 and 2019 from 11% to 14% of terminated disputes represent the voluntary fulfilment of a trader in favour of a consumer. These cases were formally included in the postponed applications (Section 19 (1) of the Act on consumer ADR). For that reason, the Insurance Ombudsman, similarly to the consumer association S.O.S. Poprad, proposed the possibility of terminating the ADR procedure by voluntary fulfillment after initiating of the proceedings under Section 20 of the Act on consumer ADR. In general, from 17% to 24% of the disputes were resolved in favour of the consumer. On the other hand, in 20% to 27% of the cases, the insurance company did not breach the rights of the consumer. The rest of the ADR resolution, from 42% to 57%, represent dismissed applications. (Poistovaciombudsman.sk, 2020)

**Tab. 6** Number of dismissed applications, postponed applications, agreements and reasoned opinions issued by SOI

| SOI   | dismissed applications | postponed applications | agreements | reasoned opinions |
|-------|------------------------|-------------------------|------------|-------------------|
| 2016  | 43                     | 68                      | 47         | 22                |
| 2017  | 36                     | 96                      | 42         | 18                |
| 2018  | 41                     | 106                     | 42         | 16                |
| 2019  | 59                     | 116                     | 28         | 13                |

Source: Data summarised based on annual activity reports of SOI from period of 2016 – 2019

**Slovak Trade Inspection (SOI)** is a residual entity of ADR disputes. It received the most applications on ADR disputes, around 50% of them electronically (see Table 4). In Table 6, we can see that alternative dispute resolution in the period of 2016 – 2019 had many similarities. A slight increase occurred in the number of terminated disputes and the number of postponed applications and a slight decrease in the number of reasoned opinions. Also, the number of concluded agreements between a trader and a consumer decreased. The main reasons for dismissing applications included lack of competence of ADR entity, unfounded application (when trader accepted consumer request in its entirety), incomplete application by consumer, and value of the dispute less than 20 euros. SOI postponed applications for two reasons - consumer terminated the participation (for instance because of repayment of purchase price) and because the consumer rights were not breached by a trader.

**Conclusion**

This paper aimed to analyse the application of the Act on consumer ADR and the Directive on Consumer ADR by ADR entities in domestic disputes and its development in the years 2016 - 2019. Based on the obligation of ADR entities to publish annual reports of ADR procedures with the mandatory information, we were able to research ADR procedures in the territory of Slovakia.
As we predicted, the most applications were received and solved by the residual ADR entity, Slovak Trade Inspection, which in 2016 decided 46% of terminated disputes in favour of a consumer, in 2017 it was around 45% and in 2018 around 47% of all resolved disputes. In 2019, the number of disputes resolved in favour of consumers decreased by almost 38% (SOI.sk, 2020). Disputes resolved for the benefit of the consumer, include not only agreements concluded between parties to the dispute, but also postponed proceedings due to withdrawal by the consumer and cases when for example, ADR entity issued a non-binding reasoned opinion and consequently, a trader repaid a purchase price to the consumer.

With respect to the proposal of S.O.S. Poprad to change the legal force of reasoned opinion to a binding act, we think it should stay non-binding. The issuance of reasoned opinion should be a sufficient reason for traders to meet consumers’ requests.

The decision making of S.O.S Poprad is for the benefit of consumers, they did not dismiss many applications but they concluded quite a lot of agreements and issued several reasoned opinions. We consider their ADR resolution to have a positive impact on consumer protection.

S.O.S. Poprad and other ADR entities had application problems when after the start of the ADR procedure a trader accepted the consumers’ requests. These cases were formally classified as postponing of the application mainly due to the following reasons: it was not apparent whether the rights of consumer were breached by the trader (SLASPO), the consumer voluntarily terminated ADR procedure (SOI) or it was a separate reason for terminating ADR proceedings not listed in the legislation (S.O.S. Poprad). In our opinion, the Ministry of Economy of SR should provide guidance for this situation by the amendment of the Act on consumer ADR or by issuing a measure/methodical act providing clear solution for this type of situations.

We also suggest unifying the list of ADR entities maintained by the European Commission with the list of ADR entities drawn up by the Ministry of Economy of the Slovak republic as the consumer association OMBUDSPOT, ZOPS is not included in the list of ADR entities of the EU.

The alternative dispute resolution under the Act on ADR has many advantages in comparison with judicial proceedings. It is simpler (the application is submitted in a simpler form and is available on the websites of ADR authorities), less expensive (from 0 to 5 euro), more flexible (without the physical presence of the parties), and quicker (the time of the procedure is limited to 90 days; it should be prolonged in 30 days). (Institutars.sk, 2020)

Generally, we can say that alternative dispute resolution under the Act on consumer ADR is developing favourable for consumers in Slovakia. We can see from the annual reports of ADR entities that authorized natural persons in charge of ADR are participating in many training courses, lectures, workshops, and communication with the Ministry of Economy of the SR to improve their expertise and professional experiences in solving ADR disputes. The annual reports on ADR disputes are from year to year better drafted and concern significant information on ADR procedure in the Slovak Republic.

We are prepared to monitor alternative disputes resolution of consumer disputes in the next years as well through the annual reports to supplement the research of ADR in the Slovak Republic.
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