



Dispute Resolution Ombudsman Limited Rules of Full Membership

Overview of Dispute Resolution Ombudsman Limited

Dispute Resolution Ombudsman Limited ("the Ombudsman") is a not-for-profit Alternative Dispute Resolution ("ADR") organisation specialising in the resolution of consumer and business disputes. Our ADR services include the Dispute Resolution Ombudsman (DRO) and The Furniture Ombudsman (TFO). Our primary role is to investigate complaints and disputes relating to goods and services and the way in which they are sold. Our service helps everyone to get a fair deal and reduces the stress and expense that is associated with drawn out complaints and the potential for Court action.

Our independent status is at the heart of everything that we do, as is our commitment to openness, honesty and integrity. We recognise the importance of these values to everyone that relies on our service. The work that we do is impartial; we are neither a consumer champion or a trade body.

When administering disputes, we have regard to all of the relevant consumer legislation. However, to remain effective, we may also consider other non-legal factors that might reasonably be taken in to account when deciding the outcome of a case.

Our overall aim is to raise standards and inspire consumer confidence and we work to uphold the key principles of the Ombudsman Association whilst delivering our ADR service, namely:

- Independence
- Fairness
- Effectiveness
- Openness and Transparency
- Accountability

We are a government approved provider of Alternative Dispute Resolution in the United Kingdom and are referenced on the Chartered Trading Standards Institute's website as such. We also work with a wide range of stakeholders including the Citizens Advice service, the Department for Business Innovation and Skills and regional trading standards offices. Many of our staff are legally qualified and are Associates of the Chartered Institute of Arbitrators (CI Arb).

Full Membership of the Ombudsman; DRO and TFO

Full Membership is for businesses that are committed to our aims, especially those who wish to provide their consumers fair and independent redress if things go wrong. Our independent ADR Service ensures that everyone gets a fair deal and helps businesses to learn lessons and improve for the future.

Full Members abide by our Rules which include a Code of Practice and the Rules that govern our ADR Service.

Consumers can be inspired by the voluntary decision of a business to commit to Full Membership of one of services because our decisions are binding and a breach of our Code of Practice could be held to be in contravention of the Consumer Protection from Unfair Trading Regulations 2008.

Full Member Code of Practice

This Code of Practice forms part of the Rules of Full Membership and provides a set of principles which set out to promote high standards and good relations between Full Members, consumers and us.

As part of their membership declaration, Full Members abide by our Code of Practice, thereby supporting our overall aims and objectives.

Full Members will:

1. Provide consumers with goods that are as described, of satisfactory quality and fit for purpose having due regard to any relevant legislation;
2. Supply any services with reasonable care and skill having due regard to any relevant legislation;
3. Provide clear and accurate product information prior to a transaction which will assist consumers in making well informed decisions;
4. Provide consumers with information regarding the likely performance of a product and any maintenance regimes that may be required;
5. Provide consumers with clear, transparent and accurate information regarding product prices, guarantees, delivery costs and any cancellation rights having due regard to any relevant legislation and guidance;
6. Deliver products as agreed, on time and in good condition and advise the consumer of any issues that may compromise delivery as soon as is practicable;
7. Promote good customer service and professionalism amongst staff and encourage them to meet all service requests with courtesy and efficiency;
8. Avoid any commercial practice that could be adverse to the consumer and the principles of fair trade in general;
9. Listen to all complaints in a fair and reasoned manner and adopt an effective procedure when trying to resolve them. In the event of an unresolved dispute, accept the ruling of the Ombudsman's Alternative Dispute Resolution Service;
10. Listen to feedback from customers and the Ombudsman and where appropriate use it as a tool to improve service and raise standards.

Training

It is the responsibility of Full Members to ensure that their staff are well versed in their obligations under our Rules of Full Membership, Code of Practice, our ADR Service and any other relevant consumer and trading legislation. Full Members should ensure that their staff are knowledgeable about the goods and services that they provide and that

all relevant information is clearly stated to prospective purchasers at, or before the point of sale. We provide accredited consumer law and customer service courses which staff of Full Members are encouraged to attend.

Our Organisation

Chief Executive and Chief Ombudsman

The Chief Executive and Chief Ombudsman is an executive member of the Board and is responsible for directing the organisation from a legal, commercial and operational perspective. He oversees the Ombudsman's staff and the provision of the Alternative Dispute Resolution Service to ensure that it is free to operate independently, impartially and in compliance with the rules that govern the scheme.

Director of Operations and Service Delivery

The Director of Operations and Service Delivery is responsible for the day to day management of the Ombudsman, ensuring that the highest standards are achieved and maintained in accordance with our rules, values and quality assurance policies. He is responsible for promoting the work of the Ombudsman and fostering relationships with all of the stakeholders that have an interest in our work or that use our service.

The Dispute Resolution Team

Lead by a set of Senior Ombudsmen, the Dispute Resolution Team comprises of qualified individuals who administer our ADR casework and provide general advice to businesses in order to ensure that they are aware of their legal obligations to consumers. The team use their best endeavours to resolve disputes between Full Members and consumers as practically and efficiently as possible drawing upon their knowledge and expertise. The team also comprises a number of experienced trainers who help us to educate businesses on the work of the Ombudsman, customer service and the law.

The Administration Support Unit

The Administration Support Unit provides help and advice to the consumers and businesses that contact us about our service. It processes new cases and administers all aspects of our membership work and provides valuable support to our staff and Standards Board.

The Standards Board

The Standards Board is an independent panel of individuals that helps to provide a set of checks and balances on the work that we do. It advises us on matters that relate to industry and consumer affairs and provides feedback and guidance in relation to our rules and decided cases so that our decisions remain fair and equitable.

The Board of Directors

Comprising a Chair and a majority of non-executive directors, the Board is responsible for appointing the Chief Ombudsman and providing governance. The Board also helps to

safeguard the Ombudsman's interests so that it is free to operate effectively and independently.

Contact Details:

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Web: www.disputeresolutionombudsman.org, www.thefurnitureombudsman.org

Rules of Full Membership

- 1) All bona fide businesses supplying goods and/or services to consumers are eligible to apply for Full Membership of the Ombudsman; the 'Dispute Resolution Ombudsman' and 'The Furniture Ombudsman'.
- 2) Full Members shall promote our aims and objectives. Full Members shall abide by these Rules of Full Membership which incorporate the Code of Practice and Rules Governing our Alternative Dispute Resolution (ADR) Service.
- 3) Unless agreed by exception, a full term of Full Membership shall last for twelve months from 01 January until 31 December inclusive. Applications for membership made during a calendar year shall be charged pro-rata from the beginning of the month of application until 31 December.
- 4) Unless agreed by exception, the fees for Full Membership for twelve months is calculated as follows:
 - a) An annual Full Membership fee; and
 - b) A subscription fee based on turnover in respect of total gross £ sales during the previous twelve months relating to furniture, furnishings, floor coverings, beds, kitchens, bathrooms, home improvement products/installations and any other product or service that the Ombudsman has agreed to cover in writing under one or more of its ADR Services.

There are additional fees applicable for each case that the Ombudsman administers through our ADR services. All fees are subject to change and can be found on the applicable Application/Renewal Form and Schedule of Fees.

- 5) Full Membership renewal is due four weeks before the term expires. Full Members who wish to provide proper notice of their resignation must do so in writing no later than four weeks before renewal is due. Notice given inside of the remaining four weeks of

a term will not constitute proper notice and that Full Member shall be liable for payment for the following full term together with any other relevant fees.

- 6) Full Members will pay their renewal within thirty days of being invoiced on a self-assessment calculation which should be validated if requested by the Ombudsman.
- 7) The Ombudsman shall retain the absolute right to rescind or refuse to renew Full Membership for any reason.
- 8) Full Members shall refrain from any commercial practice which could be adverse to the consumer and fair trade in general and which could bring the Ombudsman into disrepute as a result.
- 9) Any Full Member, their staff or agents who are found to be in breach of the Rules of Full Membership or show purposeful disregard for them or are guilty of dishonourable or unprofessional conduct or conduct which is, or could be prejudicial to the welfare of the Ombudsman or its stakeholders may be suspended or excluded summarily from their Full Membership and notice of such disclosed by the Ombudsman, including any relevant enforcement bodies.
- 10) The Ombudsman may also summarily terminate organisations from Full Membership in the following circumstances:
 - a) Where during the course of dispute resolution, a Full Member is found to have falsified or withheld evidence or has purposefully misled the Ombudsman.
 - b) Where a Full Member refuses or is obstructive in accepting the findings of the Ombudsman's Alternative Dispute Resolution Service and/or fails to pay the costs that have been laid down.
 - c) Where a Full Member is found to have deliberately misled the Ombudsman in calculating the contribution due upon application or renewal.
 - d) Where a Full Member is more than two calendar months in arrears of paying their annual renewal or case fees.
- 11) Full Members shall inform the Ombudsman of any impending civil or criminal proceedings or actions involving themselves, their staff or agents which may bring their character or professional standing into question.
- 12) Full Members permit the Ombudsman to carry out checks with third parties for the purpose of identifying any adverse information about them if so required without notice.
- 13) Any Full Member who has been suspended or excluded by the Ombudsman shall have fourteen days from the date of suspension or exclusion to present an appeal in writing to the Ombudsman for consideration. During any period of suspension the Full Member must not hold himself out as a current Full Member of the Ombudsman or any of its ADR services. Appeals shall be duly considered by the Ombudsman and a decision made within three calendar months.
- 14) Full Members who have an order of bankruptcy made against them or enter administration, liquidation or otherwise cease to trade shall advise the Ombudsman

immediately. Notice of such may be grounds for the Ombudsman to suspend or expel that organisation from Full Membership. Where the Ombudsman discovers that a Full Member has ceased trading for any reason given in this clause other than by notice, the Ombudsman may suspend or expel the Full Member immediately. Where there is reasonable information to suggest that a Full Member shall cease or is likely to cease to trade imminently, the Ombudsman shall retain the right to suspend or expel that member with immediate effect.

- 15) Full Members shall not in dealing with the Ombudsman's affairs represent or purport to represent the views of the Ombudsman, its staff or directors.
- 16) Full Members shall answer any written requests for information from the Ombudsman as may be required from time to time enabling them to carry out any duties in administration of these Rules or any other matters arising.
- 17) Full Members will promote the aims of the Ombudsman and ensure that consumers understand the additional protection that they benefit from as a result of that business's membership. Full Members be expected to comply fully with The Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015. Full Members are also encouraged to provide information in an agreed form about their membership to consumers via websites, advertising and marketing.
- 18) Full Members who have resigned or are otherwise no longer Full Members shall discontinue the use of any material which is related to the Ombudsman, and any of its ADR services including its logo or any other reference to membership.
- 19) Full Members who have resigned or are otherwise no longer Full Members of the Ombudsman shall continue to be bound by and pay the appropriate share of any fees in relation to any referral to the Ombudsman's Alternative Dispute Resolution Service which relates to a transaction that took place during their term of membership.
- 20) Full Members who have resigned or are otherwise no longer Full Members of the Ombudsman will not be entitled to any refund of fees and shall pay all outstanding amounts that were due to the Ombudsman prior to termination plus any additional costs incurred due to the Full Member's non-compliance with these Rules of Full Membership.
- 21) Full Members shall appoint an individual who will keep the Ombudsman updated fully with regards to the contact details of the member including all business names, addresses, telephone and fax numbers and email addresses if they change during membership.
- 22) Full Members shall appoint a contact, who may be the same person specified in clause 21, together with at least one deputy who will be responsible for all matters relating to the Ombudsman's Alternative Dispute Resolution Service. The specified person and deputy should be equipped with such authority so as to bind the Full Member during negotiations over settlements with consumers and other matters arising out of the administration of cases.

- 23) Full Members shall make the necessary provisions to protect and hold safe any data relating to an individual or individuals so as to satisfy the requirements of the Data Protection Act 1988 and any other guidance laid down by the Information Commissioner's Office.
- 24) Full Members will adopt written procedures for dealing with complaints and for the purpose of monitoring them. These procedures will include the name of the person within the organisation who is the nominated management contact with the Ombudsman.
- 25) In accordance with Rule 26, the Ombudsman shall have jurisdiction to investigate complaints and disputes, without the prior need for consent from the Full Member in respect of goods and services relating to furniture, furnishings, floor coverings, carpets, beds, fitted bedrooms, kitchens, bathrooms, home offices, home improvement products and installations and any other product or service that the Ombudsman has agreed in writing with the Full Member to cover within the scope of their membership.
- 26) If a dispute remains unresolved after a period of 12 weeks from the date of the consumer's first written complaint to the Full Member (or sooner if the Full Member agrees that their internal complaints procedure has been exhausted i.e. deadlock has been reached) a consumer shall be entitled to use the Ombudsman's Alternative Dispute Resolution Service and the Full Member shall be bound by the Rules that govern it. The Full Member will be bound to act in accordance with the terms of any settlement, decision, Conciliation or Adjudication and will meet the fees as laid down. In all cases the decision of the Ombudsman is final. There shall be no automatic route to appeal afforded for either party, but the consumer shall not lose their statutory rights if they do not accept the ruling of the Ombudsman.
- 27) The Ombudsman reserves the right to publish case data or case studies in its Annual Review's, in other documents and on its websites. In such cases, the identity of the business and consumer will be withheld unless prior consent from both parties is obtained.
- 28) Full Members who participate in the Payment Protection Scheme shall abide by the Rules which govern it and in doing so will ensure that the balance held by the Ombudsman in respect of their participation represents a minimum of 20% of the combined value of all contracts which are the subject of a dispute before the Ombudsman. The Rules governing the Payment Protection Scheme can be viewed at: www.thefurnitureombudsman.org/payment-protection-scheme.
- 29) The Ombudsman shall retain the right to amend the Rules of Full Membership at any time without notice.
- 30) Where issues of interpretation arise in relation to the application of these Rules, the Code of Practice and the Rules Governing the Alternative Dispute Resolution Service, the decision of the Chief Ombudsman shall be final.

The Ombudsman's Alternative Dispute Resolution Service

Where the consumer has made all reasonable efforts to exhaust the Full Member's internal complaints procedure or three months have elapsed since the initial complaint, the consumer may contact us.

Initially, we will endeavour to settle the dispute amicably in consultation with all parties concerned via a process of Conciliation. The aim is to have reached a conclusion acceptable to all parties within thirty days of receiving the retailer's written response, although individual cases may vary based on complexity and the volume of evidence to be evaluated.

If Conciliation is unsuccessful, and the weight of evidence remains in the balance, i.e. it is not persuasive in either party's favour and it would be equitable to do so, we may choose to make Adjudication. This is a more formal process, and may involve the appointment of an expert to assess goods and/or the installation in situ and provide a report. This report will be used to assist the Ombudsman to make an Adjudication.

Full Members are bound by the Ombudsman's Alternative Dispute Resolution Service and its findings without prejudice to the consumer's legal rights.

Rules Governing the Ombudsman's Alternative Dispute Resolution Service

1 Member's Responsibilities

- 1.1 Full Members shall endorse the Code of Practice by endeavouring to ensure that all sales and service arrangements are satisfactorily carried out.
- 1.2 The consumer's contract is with the Full Member who at all times remains responsible for the goods and services sold to the consumer, although they may seek assistance from their supplier in resolving the problem.
- 1.3 The Full Member must ensure that all complaints are handled efficiently. The consumer retains the right to seek the assistance of the Ombudsman when all reasonable in house procedures have failed or three months from the date of first complaint has elapsed – whichever is the sooner.
- 1.4 All relevant staff should be made aware of the Full Member's procedures for dealing with consumer complaints.

2 Sources of Advice

- 2.1 Prior to an official dispute being registered, and where possible, the Ombudsman will offer its best practical advice to Full Members with regards to their obligations to consumers. Note that to avoid a conflict of interest; the Ombudsman will not advise a Full Member as to how to deal with any complaint which has already been raised as part of the Alternative Dispute Resolution Service.

3 Procedures and Charges

- 3.1 The Ombudsman's Alternative Dispute Resolution Service incorporates a process of Conciliation and where necessary, Adjudication. All cases initially enter a

period of Conciliation during which the Ombudsman will use all reasonable endeavours to resolve a dispute between the Full Member and the Consumer. During this process the Ombudsman may elect to make a decision on the validity of the claim, recommend settlement terms, consider offers that were made prior to its involvement or try to help the parties to settle. If it is equitable to do so, the Ombudsman may make an early decision on what the outcome of the case should be and in doing so it may make an award.

- 3.2 Where an agreement or settlement cannot be reached, and in the opinion of the Ombudsman the weight of evidence remains in balance i.e. it is not persuasive in either party's favour, and it would be equitable to do so, it may formally Adjudicate and if appropriate award a remedy. Remedies may arise in different forms, for example; compensation, refunds (in full or in part), replacement goods or remedial works.
- 3.3 The Ombudsman reserves the right to refuse to accept any case at its discretion.
- 3.4 When an initial enquiry is received from the consumer an Application Form is sent to them which begins the process of Conciliation.
- 3.5 When the consumer's Application Form is returned to the Ombudsman a decision will be made as to whether the application has merit. If the Ombudsman decides that the application is suitable for Conciliation, a Response Form will be sent to the Full Member together with a covering letter which advises of the fees. Please refer to the Schedule of Fees for further information on costs.
- 3.6 The Full Member has seven days to respond formally. When forms from both parties have been received the case is assessed by the Ombudsman and where possible a resolution to the complaint is proposed, or further information is requested. Where a Full Member fails to respond, either within seven days or not at all, the Ombudsman will assume that the member does not wish to challenge or contest the claim and a decision/award may be made without further communication.
- 3.7 The Ombudsman is entitled but not obliged to disclose to either party such information, documents and other materials as shall have been obtained from the other, unless a valid reason to not make such a disclosure is known (such as sensitive information or where disclosure would be in breach of the law).
- 3.8 The Ombudsman may ask, at any time, for additional evidence to be supplied by either party. Prior to an Adjudication the Ombudsman may arrange for further evidence to be provided by an independent expert consultant in order to determine whether the consumer has a valid complaint. This will usually involve on-site inspection and/or physical testing in respect of the goods and/or installation. The Full Member will bear the cost of the inspection which will be negotiated directly between the Ombudsman and the consultant in good faith.
- 3.9 When administering disputes, the Ombudsman shall have regard to the relevant legislation and to remain effective it may also consider other non-legal factors that might reasonably be taken in to account when deciding the outcome of a case.

- 3.10 If a case is resolved after inspection and/or testing has been carried out, but prior to a formal Adjudication, the Full Member will be charged a pre-Adjudication fee. Please refer to the Schedule of Fees for further information on these costs.
- 3.11 When a case proceeds to Adjudication the retailer will be charged for the inspection/testing costs plus an Adjudication fee. Please refer to the Schedule of Fees for further information on these costs.
- 3.12 Invoices relating to case fees should be paid within thirty days unless otherwise agreed.
- 3.13 For the avoidance of doubt the outcome of an Adjudication is binding on the Full Member. The consumer has the right to pursue the matter further through alternative channels if the outcome is considered to be unacceptable to them. There is no right to appeal for the consumer or the Full Member. If the Full Member fails to honour their obligations, the Ombudsman shall provide details of that non-compliance to any relevant organisation, enforcement agency, court or person representing the interests of the consumer in formal litigation and it may publish details of that non-compliance.
- 3.14 Where in the opinion of The Chief Ombudsman or his appointed deputies, there exist exceptional grounds to re-examine a decision he may review the case.

The Bye-Laws Governing Ombudsman's Standards Board

The Ombudsman's Standards Board helps to provide an invaluable set of checks and balances by advising us on our rules, practices and procedures and by reviewing a cross section of our decided cases in order to provide independent feedback to our staff. This helps to ensure that our decisions continue to be fair and equitable for all parties. The Standards Board also provides advice to us in relation to matters that affect the retail industry and consumer affairs. All Standards Board members share our vision of inspiring consumer confidence and raising industry standards and they provide their support on a voluntary basis.

Constitution

- 1) The Standards Board shall wherever possible be balanced so as to represent equally the interest of the consumer and the industry.
- 2) The Standards Board shall comprise of a Chair, a Vice-Chair and board members who volunteer their services for the good of the consumer and the members of the Ombudsman.
- 3) The Chair shall be appointed by the Ombudsman for a term of 2 years after which he shall stand down or be re-elected. The members of the Standards Board shall elect a member for the position of Vice-Chair as is necessary from time to time.
- 4) Individual members of the Standards Board shall be appointed by the Ombudsman for a term of 1 year after which they shall stand down or be reappointed.

- 5) The Ombudsman may appoint additional or replacement members to the Standards Board from time to time in order to balance the interests of the Standards Board or enhance its quality.
- 6) In the absence of the Chair, the Vice-Chair shall assume their duties.
- 7) The Chair shall not have a direct or indirect pecuniary interest in the retail, furniture and home improvement industries.
- 8) Should circumstances dictate that a member wishes to stand down from the Standards Board, they shall be asked to provide 3 months notice to the Ombudsman in writing.
- 9) No director shall be entitled to be appointed to the Standards Board but it may appoint a representative to attend all meetings as an observer.

Conduct

- 10) The Chair, Vice-Chair and members of the Standards Board shall be of good character and shall observe the highest standards of impartiality, integrity and objectivity in relation to the stewardship of the Standards Board and its duties.
- 11) The Chair, Vice-Chair and members of the Standards Board shall avoid any danger of being influenced or appearing to be influenced by their private or business interests in the exercise of their duties to the Standards Board. All members should declare any personal or business interest which may, or may be perceived by a reasonable person, to influence their judgement.
- 12) Members of the Standards Board shall be excluded from discussions or decisions regarding matters directly involving the business which they are currently, or have been previously engaged with.
- 13) Should any circumstances arise in respect of an individual member of the Standards Board which could harm the interests of the Ombudsman, the management is authorised to take any appropriate action which they deem necessary.

Responsibilities

- 14) The Standards Board shall meet a minimum of three times per calendar year and in accordance with the Company's Articles, it shall:

- a) advise the board of directors on matters that relate to industry and consumer affairs;
- b) advise the board in relation to the terms and rules and changes to these;
- c) provide feedback on cases decided by the chief ombudsman, but not act as an operator review forum.

The standards board shall not advise the board of directors on the application of the terms and rules or on any specific case being considered by the chief ombudsman.

- 15) Members of the Standards Board shall endeavour to attend all meetings and support the aims and objectives of the Ombudsman.
- 16) The Chair shall effectively manage the course of Standards Board meetings ensuring that all members are heard and are given a reasonable opportunity to put forward their views.
- 17) Where members are asked to vote on a course of action regarding any matter, and there is an even split, the Chair shall have the casting vote and he shall advise the chief ombudsman of the decision accordingly. There should be a minimum of 3 board members, including the Chair to agree on a decision to make a recommendation.
- 18) Wherever possible the Standards Board shall conduct their meetings in the presence of the chief ombudsman, or another person that is sent to represent him or her. Other staff from the Ombudsman may also attend meetings where it is deemed appropriate for them to do so.
- 19) Members of the Standards Board shall conduct all forms of external communication via the Ombudsman.
- 20) Members of the Standards Board shall provide their permission to the Ombudsman to publish their name and an agreed profile on websites.

Data Protection: Dispute Resolution Ombudsman Limited is registered under the Data Protection Act 1998

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