



Chartered Trading  
Standards Institute  
**ADR Competent Authority**

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# **Biennial Compliance Review**

## **London Arbitration Centre**

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18 January 2023

**London Arbitration Centre (LAC)**  
**Alternative Dispute Resolution (ADR) Entity**  
**ADR Audit Visit – 18 January 2023**

**Attendees:** Louise Savage (Consumer Codes & ADR Manager), Frankie Stevens (Consumer Codes & ADR Coordinator) and Ayub Sadiq (Adjudicator).

**Methodology**

London Arbitration Centre (LAC) gained approval for their scheme on 17 September 2018; as an Alternative Dispute Resolution (ADR) body for the purposes of the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 and The Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015. This compliance review visit was to ensure the process is continuing to follow the criteria required.

The Chartered Trading Standards Institute (CTSI) has been designated by Government to act as Competent Authority, auditing and approving applications in the unregulated sector.

LAC has been assessed for the review of compliance audit against the criteria laid down in the above-mentioned regulations, primarily using Schedule 3 which covers:

- Access to the ADR body
- Expertise, Independence, and Impartiality
- Conflict of Interests
- Transparency
- Effectiveness
- Fairness
- Legality
- Grounds for refusal

The LAC biennial compliance audit was conducted remotely with Ayub Sadiq in attendance. Prior to the audit meeting, CTSI completed the necessary checks against the ADR approval criteria and legislation.

Pre-checks involve a detailed website sweep to ensure all relevant information is available for consumers, including;

- All contact information
- CTSI approval statement
- The types of disputes a body can handle
- The process information
- The language in which a case can be handled
- The costs
- And the legal outcome of the process

Initial approval documents are examined, along with any supporting documents, such as conflict of interest policies, previous training logs and any complaints that CTSI may have received in the previous 2 years. Schedule 5 and 6 reports are also checked.

At the remote meeting, Ayub Sadiq supplied all the pre-requested documents to prove compliance.

### **Audit Summary**

The biennial audit for LAC was undertaken remotely as Ayub Sadiq is the only ADR official and works from home permanently. The audit was completed in a two-step process, this consisted of CTSI completing checks of the ADR approval criteria, alongside legislation requirements and also requesting the necessary documents to prove compliance. Then a virtual meeting was held with Ayub Sadiq, the ADR official for the LAC ADR scheme.

Overall, the audit was positive with no issues regarding compliance with the legislation. There is only one ADR official for LAC, who has previously been a solicitor and has a wealth of legal knowledge. Ayub Sadiq explained that he has seen a decrease in case numbers over the last 2 years. In total, LAC have handled 7 ADR cases over the last 2 years.

The audit report is broken down into several parts that are highlighted in the 'methodology' section above. CTSI has audited LAC and highlighted any areas that require changes, to ensure full compliance with the legislation.

CTSI can report that we have not received any complaints regarding the ADR service provided by LAC, over the last 2 years. If a complaint is raised to CTSI by a consumer regarding LAC's ADR scheme, this will be investigated and followed up with LAC.

### **Background information**

LAC was approved as an ADR body for consumer disputes by CTSI on 17 September 2018. They are an ADR body that deals with a range of ADR disputes, as it is a non-specific sector body. The ADR scheme is run by one ADR official, Ayub Sadiq. Ayub Sadiq is fully trained as a solicitor and works from home. LAC also provides professional training in Contract Law; however, this is not something CTSI's ADR approval covers.

The scheme requires the trader to pay a nominal fee for each dispute that is pursued through LAC's ADR scheme, as traders do not have to be a member of LAC to access it. However, traders can join the LAC membership scheme which doesn't have a joining fee as the trader pays a fee per dispute. The scheme is free to the consumer.

LAC provides adjudication for ADR disputes and the outcome is binding on both parties once it has been reached by the ADR official. As explained in the 'audit summary' section, LAC has seen a decrease in the number of disputes over the last 2 years. Ayub Sadiq explained that this may be due to the larger ADR bodies who specialise in certain sectors receiving more disputes relating to their sector.

In their most recent Schedule 6 audit report, LAC reported that they handled 7 ADR cases in the last 2 years. These disputes were regarding building / construction and vehicles / accessories.

### **Type of ADR Scheme**

LAC provides adjudication for consumer disputes in several different sectors. The ADR process is free to consumers, but traders must pay a small fee per dispute. The consumer can withdraw from the ADR procedure at any point but once a decision has been reached by the ADR official, then it is binding on both parties and can be enforceable by a court.

### **Access to the ADR body**

CTSI found no issues of non-compliance under the 'accessibility' section of the legislation. A website examination was undertaken before the audit meeting. This consisted of checking that the correct information was provided on the ADR body's website and ensuring that the ADR scheme is accessible to all consumers.

The LAC website details the ADR procedure and explains what types of disputes they can handle. This information can be printed and posted to consumers, if they were to request it. Additionally, the LAC website displays an email and postal address that consumers can use to contact them. Ayub Sadiq explained that LAC has had no postal disputes or enquiries to date, since their approval.

At the beginning of the ADR process, Ayub Sadiq will discuss with the consumer whether they have any vulnerabilities or have any special requirements, in order to take their dispute forward. Any vulnerability or special requirement is noted on the case file and Ayub Sadiq will try to accommodate for the consumer, to ensure that they have access to the ADR scheme.

The most recent Schedule 5 report for LAC is available on their website.

### **Expertise, Independence, and Impartiality**

There is only one ADR official for LAC and he is a fully trained solicitor. He has a wealth of legal knowledge and continues to expand his ADR expertise each year. Ayub Sadiq hasn't done any formal training this year but has found himself learning more about the ADR landscape by researching certain areas and uploading consumer guides to the LAC website. Additionally, LAC has training that is delivered by Ayub Sadiq, but this is not covered by the CTSI ADR approval. The ADR official is not remunerated based on case outcomes and he was well aware of the conflict-of-interest policy, which can be found on the LAC website.

The LAC does not have an independent board or work with any other approved ADR entities, however, they expressed at the audit that they would be interested in meeting other ADR providers. CTSI explained that there is the possibility that an ADR Forum will be held at the annual 2023 CTSI Conference, in June. CTSI will be in contact about this event in the future.

### **Conflict of Interest**

LAC provides their conflict-of-interest policy on their website for consumers and traders to see. Their ADR official explained the process to CTSI, which matched the information provided on their website. As there is only one ADR official for LAC, Ayub Sadiq would be unable to handle a dispute if a conflict was to arise, in such an event the consumer would be directed to an alternative ADR body, unless both parties are happy to continue once they are aware of the conflict.

To date, the LAC has had no conflicts of interest.

### **Transparency**

The 'transparency' section of the legislation outlines which information should be made available to consumers on the ADR body's website, regarding the ADR scheme. LAC was found to be fully compliant with the legislation under the 'transparency' section of the legislation. A website examination was undertaken prior to the audit review meeting to ensure all of the information required is available.

The LAC website displays their email and postal address. The scheme rules are on the website and they explain what types of disputes LAC can handle and the grounds for refusal

of disputes. LAC can only accept disputes in English and the procedure is only conducted in English. The consumer can withdraw from the ADR procedure at any time. The scheme rules explain what principles are taken into account when seeking to resolve a dispute and that the outcome is binding on both parties. Consumers must first have attempted to resolve the dispute with the trader directly, before engaging in the ADR procedure.

The most recent Schedule 5 report is available on the LAC website.

### **Effectiveness**

LAC have received no complaints regarding their ADR service from consumers since they were approved in 2018. However, they did explain that if there was a complaint about their service, it would be dealt with and logged on a complaint log, in order to track the complaint. The complaints process is available on the LAC website for consumers to access.

Ayub Sadiq explained that they have previously provided feedback surveys to consumers at the end of the ADR process, however, LAC has found that they did not get many responses. Due to this, they have stopped providing feedback surveys for the time being. CTSI explained that consumer feedback surveys are a good way to measure the effectiveness of the LAC ADR scheme.

The ADR procedure is free to the consumer and they are not required to seek legal or third-party advice to engage in the procedure but they can do so if they wish. Parties are notified once the 'complete complaint file' has been received and the ADR procedure has commenced. The outcome of the ADR procedure will be notified to both parties within 90 days from the receipt of the 'complete complaint file'.

CTSI examined a sample of cases handled over the past 2 years by LAC, to ensure their effectiveness when handling disputes. All of the disputes examined by CTSI complied with the 'effectiveness' section of the legislation and both parties were notified once the 'complete complaint file' was received.

### **Fairness**

The LAC website outlines the time scales for each step of the ADR process, including the amount of time that is given to provide evidence supporting their case and to comment on the other party's evidence. The LAC scheme rules explain that the outcome of the ADR procedure is binding on both parties. Participation in the ADR process does not prevent parties from seeking legal redress through a court and the outcome reached by LAC may differ from an outcome reached by a court. As the outcome of the ADR procedure is binding on both parties, it can be enforceable in a court of law. As explained in the above sections of the report, consumers can withdraw from the ADR procedure at any time and parties do not have to access legal advice or representation to participate in the ADR procedure, but they can choose to do so if they wish.

The cases that were examined by CTSI showed that both parties were made aware of the timescales allowed throughout the ADR procedure. Parties were explained that the outcome reached by LAC is binding on both parties, but if they are unhappy with the outcome, they can seek legal redress but the outcome can be enforceable in law. The outcome of each case was clearly explained in the outcome letter that is provided to both parties.

CTSI found LAC to be fully compliant with the 'fairness' area of the legislation.

### **Legality**

CTSI did not find any issues with LAC under the 'legality' section of the legislation. The outcome of their arbitration is binding on both parties; however, this is explained in their scheme rules and to parties before they proceed with the ADR procedure.

The sample of cases that CTSI examined for compliance under 'legality' were found to be fully compliant, as LAC applied legality relevant to the disputes and the outcomes were based on the evidence provided by both parties and the law. Parties can seek legal redress after the outcome of the ADR procedure; however, the outcome can be enforceable in law. The outcome document clearly explained the grounds on which the outcome was based and what consumer law was applied.

### **Grounds for refusal**

The LAC website states all of the grounds for refusal clearly. These are all in line with the legislation for this section. Additionally, their annual and biennial reports explain the grounds under which disputes have been refused over the reporting period.

In the most recent Schedule 6 report, LAC reported that they had not refused any cases under the grounds for refusal.

CTSI found no issues or advisories for this section.

### **Action Required**

No actions are required.