

By PwC Deutschland | 30 June 2025

Consumer protection: Council and Parliament agree to modernize alternative dispute resolution rules

The Council and the European Parliament have reached a provisional agreement to update, simplify and facilitate the existing alternative dispute resolution (ADR) framework. This should make these procedures more accessible, appealing and better suited to the digital age.

ADR resolution to refine present ODR regulation

The most recent European legislation to regulate out-of-court consumer redress was adopted in 2013 and has not been amended since. On 17 October 2023, the Commission proposed a new package of measures to modernize and simplify ADR rules. The package included a directive amending the ADR directive and a regulation to discontinue the Online Dispute Resolution platform, which was used less than expected. This ODR regulation was formally adopted on 19 November 2024.

The agreement proposed now introduces deadlines for companies to respond to ADR bodies regarding specific cases and promotes stronger cooperation between ADR entities and consumer protection authorities. It clarifies how automated systems – such as artificial intelligence, machine translation and other IT solutions – should be used to make ADR procedures more efficient especially in cross-border cases.

Scope of the directive: Inside the EU (including cross-border) the agreement keeps the scope of the ADR directive to disputes stemming from a contract, including precontractual obligations (e.g. advertising, information provision). It also extends the scope to disputes between a consumer resident in a member state and a trader in a third country.

Duty to reply: When a trader is contacted by an ADR entity about a commercial dispute, it will have 20 days to reply (or 30 in exceptional or very complex circumstances).

Outlook: This agreement is provisional and subject to final adoption by both institutions.

Source and more detailed information:

Council of the EU, [press release of 26 June 2025](#).

Keywords

[consumer protection](#)