



# Digital Markets, Competition and Consumers Act 2024

## 2024 CHAPTER 13

### PART 4

#### CONSUMER RIGHTS AND DISPUTES

#### CHAPTER 4

##### ALTERNATIVE DISPUTE RESOLUTION FOR CONSUMER CONTRACT DISPUTES

##### *Accreditation: procedure etc*

#### **296 Applications for accreditation or variation of accreditation**

- (1) A person who wishes to be an accredited ADR provider must—
  - (a) apply to the Secretary of State for accreditation to enable the person to carry out ADR or to make special ADR arrangements (or to do both), and
  - (b) pay to the Secretary of State the appropriate application fee (if any) prescribed by regulations under [section 300](#).
- (2) An application for accreditation to carry out ADR may be limited to one or more particular descriptions of ADR.
- (3) An application for accreditation to make special ADR arrangements may be limited to one or more particular descriptions of special ADR arrangements.
- (4) An accredited ADR provider may apply to the Secretary of State for their accreditation to be varied by the addition, variation or removal of—
  - (a) any limitation affecting the descriptions of ADR or special ADR arrangements (as the case may be) covered by the accreditation, or
  - (b) any condition on the accreditation.

- (5) An application under subsection (4) must be accompanied by the appropriate application fee (if any) prescribed by regulations under section 300.
- (6) The Secretary of State may determine the procedure to be followed in relation to an application for accreditation or an application for the variation of an accreditation.
- (7) The matters which may be determined under subsection (6) include (among other things)—
  - (a) the form in which applications are to be made;
  - (b) the particular descriptions of ADR for which limited accreditation may be applied for and granted;
  - (c) the particular descriptions of special ADR arrangements for which limited accreditation may be applied for and granted;
  - (d) the information to be given by applicants.
- (8) Section 295(4) applies for the purposes of subsection (7) as it applies for the purposes of section 295(3).
- (9) The Secretary of State must publish anything determined under subsection (6) in a manner likely to come to the attention of potential applicants for accreditation.
- (10) The powers of the Secretary of State under subsection (6) may be exercised differently for different purposes.

## **297 Determination of applications for accreditation or variation of accreditation**

- (1) This section applies where an application for accreditation, or for the variation of an accreditation, has been made to the Secretary of State (and has not been withdrawn).
- (2) In the case of an application for accreditation, the Secretary of State must, as soon as is reasonably practicable—
  - (a) consider the application,
  - (b) decide whether—
    - (i) to grant the accreditation applied for,
    - (ii) to grant a more limited accreditation, or
    - (iii) to refuse the application, and
  - (c) give notice in writing to the applicant of the decision and, in the case of a decision mentioned in paragraph (b)(ii) or (iii), the reasons for the decision.
- (3) Accreditation granted under subsection (2)(b)(ii) may be limited to such descriptions of ADR or such descriptions of special ADR arrangements (or both) as the Secretary of State considers appropriate and specifies in the accreditation.
- (4) If accreditation is granted, the Secretary of State may also decide to impose conditions on the accreditation.
- (5) The Secretary of State may only grant accreditation if satisfied that the accreditation criteria will be met by or in relation to the applicant after accreditation is granted.
- (6) An accreditation is not time limited unless—
  - (a) the Secretary of State determines that it is to have effect for a limited period, and

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- (b) the notice of the decision on the application states that the accreditation is time limited and specifies the period for which it has effect.
- (7) The notice of a decision to grant accreditation must specify the day on which the accreditation takes effect.
- (8) In the case of an application for the variation of an accreditation, the Secretary of State must, as soon as is reasonably practicable—
  - (a) consider the application,
  - (b) decide whether—
    - (i) to grant the application,
    - (ii) to vary the accreditation, but to a different extent than applied for, or
    - (iii) to refuse the application, and
  - (c) give notice in writing to the applicant of the decision and, in the case of a decision mentioned in [paragraph \(b\)\(ii\)](#) or [\(iii\)](#), the reasons for the decision.
- (9) If the Secretary of State decides to vary the accreditation under [subsection \(8\)\(b\)\(i\)](#) or [\(ii\)](#), the Secretary of State may also decide—
  - (a) to impose new conditions on the accreditation, or
  - (b) to vary or remove any existing condition on the accreditation.
- (10) The Secretary of State may only vary an accreditation if satisfied that the accreditation criteria will be met by or in relation to the applicant after the accreditation is varied.
- (11) A variation of an accreditation is not time limited unless the Secretary of State determines that the variation is to have effect only for a limited period and the notice of the decision on the application for variation—
  - (a) states that the variation is time limited (unless made permanent following a subsequent application by the ADR provider),
  - (b) specifies the period for which the variation has effect, and
  - (c) makes provision as to the terms of the accreditation in the event that the variation lapses at the end of that period.
- (12) The notice of a decision to vary an accreditation must specify the day on which the variation takes effect.
- (13) Where the Secretary of State decides—
  - (a) to impose conditions under [subsection \(4\)](#), or
  - (b) to impose new conditions, or to remove or vary any existing condition on the accreditation, under [subsection \(9\)](#),the notice of the decision on the relevant application must set out the conditions on the accreditation or the accreditation as varied, and give the Secretary of State’s reasons for the decisions made under [subsection \(4\)](#) or [\(9\)](#) (as the case may be).
- (14) Where an accreditation covers the making of special ADR arrangements, conditions on the accreditation may be framed so as to secure that the accredited ADR provider is responsible for acts or omissions of other ADR providers who carry out ADR under special ADR arrangements made by the accredited ADR provider.

## **298 Revocation or suspension of accreditations etc**

- (1) [This section](#) confers powers on the Secretary of State in relation to the accreditation of an accredited ADR provider.

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- (2) The Secretary of State may, by notice to the ADR provider, revoke the accreditation on the application of the ADR provider.
- (3) [Subsection \(4\)](#) applies in relation to the ADR provider where the Secretary of State considers that any one or more of the following conditions are met—
  - (a) the ADR provider is contravening, or has contravened, any of the prohibitions in [section 293](#) and [294](#);
  - (b) the ADR provider is failing, or has failed, to comply with any of the accreditation criteria;
  - (c) the ADR provider is failing, or has failed, to comply with any conditions on its accreditation;
  - (d) the ADR provider is failing, or has failed, to comply with an enforcement notice under [section 302](#).
- (4) The Secretary of State may by notice to the ADR provider—
  - (a) vary the accreditation, by doing either or both of the following—
    - (i) limiting, or further limiting, the accreditation to such descriptions of ADR or such descriptions of special ADR arrangements (or both) as the Secretary of State considers appropriate, and
    - (ii) imposing new conditions on the accreditation, varying any existing condition or removing any existing condition,
  - (b) suspend the accreditation, or
  - (c) revoke the accreditation.
- (5) In [subsection \(4\)\(a\)\(i\)](#) the reference to limiting (or further limiting) the accreditation to particular descriptions of ADR or of special ADR arrangements includes, in particular, limiting it to ADR relating to consumer contract disputes that have already been referred for ADR or to special ADR arrangements that already exist (as the case may be), whether for a limited period or otherwise.
- (6) Before giving such a notice the Secretary of State must give the ADR provider a reasonable opportunity to make representations as to—
  - (a) whether one or more of the conditions mentioned in [subsection \(3\)](#) are met in relation to the ADR provider, and
  - (b) if so, what action (if any) it is appropriate for the Secretary of State to take under [subsection \(4\)](#).
- (7) Any variations made under [subsection \(4\)\(a\)](#) must be variations the Secretary of State considers necessary to secure compliance with the prohibitions in [sections 293](#) and [294](#), the accreditation criteria, the existing conditions on the accreditation or the enforcement notice (as the case may be).
- (8) In [subsection \(7\)](#) “existing conditions” means the existing conditions disregarding any previous variations made under [subsection \(4\)\(a\)](#) or [\(9\)\(b\)](#).
- (9) Where variations of the accreditation are made under [subsection \(4\)\(a\)](#), the Secretary of State must—
  - (a) keep those variations under review, and
  - (b) by notice to the ADR provider vary the accreditation for the purpose of revoking or reversing the effect of all or any of the variations, to the extent that the Secretary of State considers that they are no longer necessary for the purpose set out in [subsection \(7\)](#).

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- (10) A notice that the accreditation is being varied must specify the day on which the variations take effect.
- (11) A notice that the accreditation is suspended or revoked must specify the day on which the accreditation ceases to be in force.
- (12) Where the accreditation is suspended the notice must also set out when or in what circumstances the suspension is to cease to have effect so that the accreditation is again in force.
- (13) The provision required by [subsection \(12\)](#) may consist of any one or more of the following—
  - (a) provision for the suspension to cease to have effect at the end of a period specified in the notice,
  - (b) provision for it to cease to have effect on the satisfaction of conditions specified in the notice, and
  - (c) provision for it to cease to have effect when a decision to lift it is made by the Secretary of State and notified to the ADR provider.

### **299 Fees payable by accredited ADR providers**

- (1) Accredited ADR providers must pay to the Secretary of State, at such times as may be prescribed, the appropriate prescribed fee (if any).
- (2) In subsection (1) “prescribed” means prescribed by regulations under [section 300](#).

### **300 ADR fees regulations**

- (1) The Secretary of State may by regulations make provision about the following descriptions of fees, namely—
  - (a) fees to be paid by applicants for accreditation under [section 296\(1\)](#);
  - (b) fees to be paid by applicants for the variation of their accreditation under [section 296\(5\)](#);
  - (c) fees to be paid by accredited ADR providers under [section 299\(1\)](#).
- (2) The power to make provision about a description of fees includes power to provide—
  - (a) for fees of different specified amounts to be payable in different cases or circumstances;
  - (b) for cases or circumstances in which no fees are to be payable;
  - (c) in the case of fees to be paid under [section 299](#), the times at which the fees are to be paid.
- (3) In making regulations under this section the Secretary of State must have regard to the need to secure that, taking one year with another—
  - (a) the total amount of fees paid does not exceed the costs to the Secretary of State of carrying out functions under this Chapter;
  - (b) the total amount of fees paid under [section 296\(1\)](#) does not exceed the costs to the Secretary of State of processing and determining applications for accreditation;
  - (c) the total amount of fees paid under [section 296\(5\)](#) does not exceed the costs to the Secretary of State of processing and determining applications for the variation of an accreditation.

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(4) Regulations under this section are subject to the negative procedure.

### **301 Accreditation criteria**

- (1) For the purposes of this Chapter the accreditation criteria are the criteria set out in [Schedule 26](#).
- (2) The Secretary of State may by regulations amend [Schedule 26](#) for the purpose of—
  - (a) adding a new criterion, or
  - (b) removing or varying any criterion for the time being set out in that Schedule.
- (3) Regulations under [subsection \(2\)](#) are subject to the affirmative procedure.