
EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the amount of £5,000 for the purposes of section 91 of the Arbitration Act 1996 for England and Wales and Scotland. It replaces The Unfair Arbitration Agreements (Specified Amount) Order 1996 which specified the amount of £3,000.

Section 91(1) of the 1996 Act provides that a term which constitutes an arbitration agreement is unfair for the purposes of the Unfair Terms in Consumer Contracts Regulations 1994 (S.I. [1994/3159](#)) so far as it relates to a claim for a pecuniary remedy which does not exceed the amount specified by order for the purposes of that section. The 1994 Regulations implement Council Directive [93/13/EEC](#) on unfair terms in consumer contracts (O.J. No. L95, 21.4.93, p. 29). The Unfair Terms in Consumer Contracts Regulations 1999 (S.I. [1999/2083](#)) revoke and replace the 1994 Regulations with effect from 1st October 1999.

Section 89(1) of the 1996 Act defines “arbitration agreement” as an agreement to submit to arbitration present or future disputes or differences (whether or not contractual).

A Regulatory Impact Assessment of the costs and benefits which will result from this Order has been prepared by the Department of Trade and Industry and is available from Consumer Affairs Directorate, Department of Trade and Industry, Room 407, 1 Victoria Street, London SW1H 0ET (telephone 0171 215 0342). Copies have been placed in the libraries of both Houses of Parliament.