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EU: New Information Obligations for Online Traders

1. The EU Regulation

*Since 9 January 2016, traders established within the Union engaging in online sales or service contracts must provide new information on their websites. The Regulation (EU) No 524/2013 ("**Regulation**") on online dispute resolution for consumer disputes ("**ODR**") applies directly in all member states and does not require transposition by the member states (with the exception of some provisions that apply from an earlier date according to Article 22 of the ODR).*

This Regulation aims to create an ODR platform at the EU level and in particular establishes the technical conditions for the newly implemented ODR platform.

2. What does the ODR platform offer?

ODR offers a simple, efficient, fast and low-cost out-of-court solution to disputes between traders and consumers arising from online sales and service contracts. The ODR platform provides general information regarding the out-of-court resolution. The website can be accessed electronically and free of charge in all the official languages of the European Union's institutions.

3. Information obligations

Article 14 of the ODR contains the relevant provision for all traders engaging in online sales or service contracts and online marketplaces established within the Union.

In order to ensure broad consumer awareness of the existence of the ODR platform, all traders are obliged to:

- provide on their websites an electronic, easily accessible link to the ODR platform; it is advisable that not more than 2 clicks are necessary to access this link;
- inform consumers about the existence of the ODR platform and the possibility of using the ODR platform to resolve their disputes (this applies only to those traders that are committed or obliged to use one or more alternative dispute resolution entities to resolve disputes with consumers). This information shall also be provided, where applicable, in the general terms and conditions applicable to online sales and service contracts;
- state a company email address to ensure that customers have a first point of contact.

The link to the website <http://ec.europa.eu/consumers/odr/> has already been activated. While the ODR platform will only be operational as of 15 February 2016, the information obligations already apply as from 9 January 2016.



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4. Not in all cases...

ODR does not apply to those disputes between consumers and traders that arise from sales or service contracts that are concluded offline or to disputes between traders.

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5. Sanctions

Violations of the abovementioned obligations can trigger penalties of up to EUR 750 and can encourage competitors to apply for cease and desist orders.

6. Comment

To support the functioning of the European market -- especially for online business - and in order for consumers to have confidence in and benefit from that market's digital dimension, consumers must have access to simple, efficient, fast and low-cost means of resolving disputes which arise from the online-based sale of goods or supply of services. This is all the more pertinent for consumers' cross-border transactions. It remains to be seen if the ODR platform in practice proves to be an adequate tool for achieving these goals.

A list of alternative dispute resolution entities already operative in Austria can be found here: <http://www.verbraucherschlichtung.or.at/2016/01/09/staatlich-anerkannte-verbraucherschlichtungsstellen/>