EXPLANATORY MEMORANDUM TO

THE DIGITAL MARKETS, COMPETITION AND CONSUMERS ACT 2024 (ALTERNATIVE DISPUTE RESOLUTION) (INFORMATION) REGULATIONS 2026

2026 No. 293

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Business and Trade and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Kate Dearden, Minister for Employment Rights and Consumer Protection at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

2.2 Tony Thomas, Deputy Director for Consumer Policy, at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Jason Cole at the Department for Business and Trade can be contacted by email at the following address with any queries regarding the instrument: jason.cole@businessandtrade.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument details what information accredited ADR providers, former accredited ADR providers, and exempt ADR providers are required to provide to the Chartered Trading Standards Institute ("the CTSI") or publish on their websites for the benefit of consumers, the means of providing or publishing this information, and when information is required.

4.2 This instrument is part of a group of instruments that implement Chapter 4, Part 4 of the Digital Markets, Competition and Consumers Act 2024 ("the 2024 Act") replacing the voluntary Alternative Dispute Resolution (ADR) accreditation framework in the UK and introducing a mandatory accreditation framework for ADR providers for consumer contract disputes:

- The Digital Markets, Competition and Consumers Act 2024 (Commencement No. 3 and Transitional Provisions) Regulations 2026, which will bring into force Chapter 4 Part 4 of the 2024 Act and make transitional provisions.
- The Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Conferral of Functions) Regulations 2026, which confers certain functions to the CTSI to operationalise the mandatory accreditation requirement for ADR providers for consumer contracts disputes.
- The Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Fees) Regulations 2026, which makes provisions on fees

to be paid for accreditation, variation of accreditation and maintenance of accreditation.

- The Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Consequential Amendments) Regulations 2026 which bring into force Chapter 4 Part 4 of the 2024 Act and make transitional provisions in relation to the Chapter 4 Part 4 of the 2024 Act coming into force.
- The Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Information) Regulations 2026 ("this instrument").

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdictions which the instrument forms part of the law of) is England, Wales, Scotland and Northern Ireland.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England, Wales, Scotland and Northern Ireland.

5. Policy Context

What is being done and why?

5.1 This instrument is made under section 303 of the 2024 Act. It details what information, when, and the means by which accredited ADR providers, former accredited ADR providers and exempt ADR providers are required to provide the ADR authority (which on commencement of the Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Conferral of Functions) Regulations 2026 will be the CTSI). The information is set out in the Schedule to this instrument. The information requirement for accredited ADR providers details the report to be provided to the CTSI on an annual basis, and how this is to be provided. Former accredited ADR providers are required to provide the CTSI with the reporting information up until their accreditation ceased to be in force. The intention of these requirements is to publish information for the benefit of consumers and enable monitoring and evaluation of the operation of the system of ADR accreditation under the 2024 Act.

5.2 There is a separate requirement to ensure accredited ADR providers and exempt ADR providers give the CTSI up to date contact and operational information. The intention of this requirement is to maintain accurate and current records.

5.3 Exempt ADR providers are required to provide information to the CTSI that have been provided to the relevant regulator. This is intended to enable monitoring and evaluation of the provision and quality of ADR for consumer contract disputes as a whole carried out in the UK.

What was the previous policy, how is this different?

5.4 Chapter 4 Part 4 of the 2024 Act repeals and replaces the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 ("the 2015 Regulations"). Schedules 5 and 6 of the 2015 Regulations detail the information required annually and every two years. This instrument combines the information requirements in Schedules 5 and 6 of the 2015 Regulations with the addition of information relating to consumer and business satisfaction, and details of any special ADR arrangements. This instrument requires information to be provided and published annually. Section 10 and schedule 4 of the 2015 Regulations detail the information the competent authority must maintain in respect of each approved ADR applicant. This instrument includes this requirement to

the extent that information about an approved ADR provider or exempt ADR provider changes from information provided as part of the application for accreditation (per section 296), with the addition granularity of information on ADR procedures and information on the process for handling complaints.

6. Legislative and Legal Context

How has the law changed?

6.1 The 2015 Regulations implemented the Alternative Dispute Resolution Directive (2013/11/EU) (the "ADR Directive"). The aim of the ADR Directive was the following: "*ensuring that consumers can, on a voluntary basis, submit complaints against traders to entities offering independent, impartial, transparent, effective, fast and fair alternative dispute resolution procedure."* The overall objective of the new ADR regime (Chapter 4 Part 4 of the 2024 Act) remains; however, a key change is that ADR accreditation will be mandatory (rather than voluntary) for providers of ADR services in consumer contract disputes. The 2015 Regulations will be repealed by virtue of section 309 (Schedule 27) of the 2024 Act on commencement of Chapter 4 Part 4 of the 2024 Act.

6.2 This instrument replaces the information requirements set out in regulations 10 and 11, including Schedules 4 to 6 of the 2015 Regulations. As a voluntary regime, the information requirements under the 2015 Regulations were imposed on ADR accreditation applicants and those with accreditation. This instrument imposes information requirements not only on accredited ADR providers but also on persons previously, but no longer, accredited (former accredited ADR providers) and exempt providers (to the extent the information is provided to a relevant regulator) (see section 303(2) of the 2024 Act).

6.3 Regulation 11(2) and Schedule 5 of the 2015 Regulations set out the information that accredited ADR providers are required to provide annually to the competent authority. Regulation 11(3) and Schedule 6 of the 2015 Regulations set out the information to be provided bi-annually (the bi-annual information is largely the same as the annual information). Part 1 of the Schedule to this instrument consolidates the information and regulation 3 requires it to be provided annually. Part 1 of the Schedule to this instrument also requires more granularity of information on the requests for ADR received by the relevant ADR providers (paragraphs 1(b)(i), (iii), (v) and (vi), (c)(i), and (d). It also requires information on arrangements for ADR to be carried out by other persons (paragraph 1(g)). This instrument also requires information for the purposes of monitoring and evaluation of the ADR accreditation system and the quality of ADR provided in the UK (paragraph 1(i), (j) and (l)).

6.4 Part 2 of the Schedule to this instrument sets out the information that must be provided to the extent it changes from information previously provided as part of the application for accreditation. In the case of exempt providers, that information must be provided to the extent it is also provided to a relevant regulator. Part 2 of the Schedule to this instrument replicates the information required by applicants under the 2015 Regulations (section 10 and Schedule 4) and also requires more granularity of information on ADR procedures (paragraph 3(e)(i) and (ii)) and information on the process for handling complaints (paragraph 3(j)).

Why was this approach taken to change the law?

6.5 This is the only possible approach to make the necessary changes as section 303 of the 2024 Act sets out the enabling power to make information regulations.

7. Consultation

Summary of consultation outcome and methodology

7.1 The policy of supporting consumers enforcing their rights independently, including by improving the quality and oversight of ADR services, was consulted on publicly. The Government response to that consultation was published in Reforming competition and consumer policy.[1]

7.2 In its response, the Government signalled its intention to improve the quality and consistency of ADR services in consumer markets, to further increase business and consumer confidence in ADR. This includes strengthening the accreditation process ADR providers must comply with and clearer, standardised reporting and information obligations to improve accountability and transparency and ensure both businesses and consumers have access to informative and timely information to enable monitoring and evaluation of the scope, provision and quality of ADR carried out in the UK.

7.3 The Government has not publicly consulted on this instrument because it implements the policy previously consulted on.

Consultation with the Information Commissioner's Office

7.4 The Department for Business and Trade consulted with the Information Commissioner's Office ("ICO"),[2] as required by Article 36(4) of assimilated Regulation (EU) 2016/679[3] on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (United Kingdom General Data Protection Regulation).[4]

7.5 This consultation considered the type of information that would be collected and processed under the proposed instrument. Relevant consultation documents were sent to the ICO on 6 January 2026, and a response was received from the ICO on 13 January 2026, stating that they did not need to engage further with the Department for Business and Trade. The obligation to consult with the ICO is a continuing one, but there have been no changes to the proposal.

8. Applicable Guidance

8.1 This instrument does not implement or require guidance.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it does not impose significant costs or impacts upon compliant businesses. The impact of mandatory ADR accreditation was considered in the impact assessment for the 2024 Act.[5]

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[1] https://www.gov.uk/government/consultations/reforming-competition-and-consumer-policy
[2] Information Commissioner's Office ("ICO"): https://ico.org.uk/
[3] Assimilated Regulation (EU) 2016/679 of the European Parliament and Council: https://www.legislation.gov.uk/eur/2016/679/contents
[4] UK General Data Protection Legislation: https://www.legislation.gov.uk/eur/2016/679/contents
[5] https://publications.parliament.uk/pa/bills/cbill/58-03/0294/ImpactAssessmentSummary.pdf and https://assets.publishing.service.gov.uk/media/60f67285e90e0764cfc22a5d/rccp-alternative-dispute-resolution-ia.pdf

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because the instrument does not impose regulatory obligations, require familiarisation or otherwise cause costs to be incurred. Impacts on non-compliant businesses do not fall to be considered.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because they are generally outside the scope of this policy.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The Government has no specific plans to conduct a post-implementation review of this instrument or the reforms to which it relates, but will continue to monitor and evaluate the operation of the system of ADR accreditation under the 2024 Act, and monitor and evaluate the provision and quality of ADR carried out in the UK through quarterly and annual reports the CTSI is required to provide to the Secretary of State of the Department for Business and Trade.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015 Kate Dearden, Minister for Employment Rights and Consumer Protection has made the following statement: “Having regard to the economic impact of the Digital Markets, Competition and Consumers Act 2024 (Alternative Dispute Resolution) (Information) Regulations 2026 a statutory review clause would be disproportionate, and is therefore not required.”

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts"). It does however relate to the withdrawal of the United Kingdom from the European Union because Chapter 4 Part 4 of the 2024 Act repeals and replaces the 2015 Regulations which implemented the ADR Directive and have been retained in UK law as EU-derived domestic legislation under section 2 of the European Union (Withdrawal) Act 2018 subject to amendment by regulation 9 of the Consumer Protection (Amendment etc) (EU Exit) Regulations 2018 (S.I. 2018/1326).