

# Foreword

Consumers International (CI), the world's largest federation of consumer groups, serves as the authoritative global voice for consumers. Since its founding on April 1, 1960, CI has grown to encompass more than 240 member organizations in 120 countries around the world. CI's goal is to build a powerful international movement to empower and protect consumers everywhere.

This global consumer movement is as diverse as it is far-reaching. Yet despite our differences, all CI members share a commitment to the promotion of eight core consumer rights—one of which is the right to redress. That right asserts that consumers should “receive a fair settlement of just claims, including compensation for misrepresentation, [for] shoddy goods or unsatisfactory services.” The efforts of CI and its members during the last half-century have ensured that this right to redress is enshrined—alongside its companion rights—in the United Nation's *Guidelines on Consumer Protection* and in the consumer protection legislation of many countries around the world.

However, despite this progress, asserting that right and putting things right wherever they have gone wrong are still too difficult for consumers globally. The reality of seeking redress too often feels like trying to navigate a customer service labyrinth. We all know the frustration of being stuck at the end of a telephone, at our own expense, questioning the sincerity of the “your call is important to us” message as it interrupts the cycle of Muzak for the 53rd time.

This kind of frustrating experience is all too common when it comes to seeking redress. It can lead people to either abandon complaints at an early stage or even to abandon their attempts to seek redress in the first place, especially when the perceived opportunity cost of pursuing a complaint risks exceeding the value of the transaction that gave rise to the complaint. If the path to redress requires the consumer to initiate legal proceedings, many consumers are even less likely to attempt to secure a fair resolution.

Research in 2013 by the Ombudsman Services (UK) found that “40 million problems were not acted upon at all, as consumers choose to keep quiet.” That silence keeps hidden a financial cost to consumers of unsatisfactory purchases that runs into hundreds of millions. When merchants and service providers view redress as a problem rather than a solution, consumers are left disempowered and this vital consumer right and protection is undermined. It should not be this way. The evidence shows consumers reward efficient and effective complaint resolution with increased loyalty and the feedback that complaints generate provides

invaluable insights for companies, which can inform the changes needed to drive increased satisfaction.

The good news is that in an age where apps and web-based intermediary platforms are bringing convenience to every other aspect of the consumer experience and empowering consumers in dynamic new ways, we now have the means to apply the innovation, simplicity, and convenience that we have come to expect from our wider online experiences to our redress processes.

Although it is vital that we remember that access to the Internet and to connecting devices remains far from universal, we can at least observe this: Wherever access is widespread, the nature, the channel, and the timing of consumer transactions and interactions with providers of goods and services are being transformed for the better. Technology has brought consumers greater convenience, greater transparency, greater choice, and more information concerning those choices. The Internet in particular has given consumers voice in their interactions with business. The Internet also gives rise to a growing number of opportunities for fostering new forms of consumer empowerment and for enabling consumers to understand and assert their rights in more streamlined ways with more effective outcomes, with online dispute resolution (ODR) being a prime example.

We are only starting to see how the Internet will transform the consumer experience. The browser-based Internet that most consumers are familiar with is barely out of its teens. There is potential for technology to strike a significantly more equitable balance of power between the supply side and demand side of markets. Much of that potential resides in an emerging range of services that empower consumers to assert their rights and achieve their goals in convenient, dynamic ways.

ODR has the real potential to fit into this category. Effective ODR tools can take the friction out of complaining, thus making it much more likely a consumer will see a complaint through and get satisfaction. Additionally, ODR tools such as those offered by CI Members liberate the consumer from frustrations inherent in dealing with the customer services labyrinth, by providing an independent platform where consumer and supplier meet, and where the onus is placed on the vendor to respond.

The Internet provides new opportunities for collaboration between consumers, those who work on behalf of consumers, and merchants in this way. It is a new world where consumers' problems can be solved efficiently and effectively to the satisfaction of the consumer. That is why I am so enthusiastic about the *New Handshake*, because it offers a grand vision for how technology can be used to empower consumers and to provide fast and fair resolutions. The time is right to take advantage of new technology to build an accessible, transparent, scalable resolution system for both consumers and businesses. I hope the ideas in this book will spark conversations in board rooms, legislatures, and courthouses about how we can build new tools for providing consumers access to justice.

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