

Summary

Research Question

This evaluation assesses the performance of the Dutch Foundation for Consumer Complaints Boards (Stichting Geschillencommissies voor Consumentenzaken, SGC) between 2009-2016. Core questions of the evaluation are:

1. To what extent has the SGC realised an accessible settlement of complaints and disputes?
2. To what extent has the SGC realised a good quality settlement of complaints and disputes?
3. What position does the SGC hold within the whole of dispute settlement in the Netherlands?

General Assessment

The conclusion of this evaluation is that the performance of the SGC during 2009-2016 has been considerably positive. The SGC's scores on various criteria of the evaluation questions (accessibility, quality and position of complaint and dispute settlement) are for the most part sufficient (Table S.1).

Table S.1 Evaluation Conclusions

Topic	Assessment	Argumentation	Comments
Accessibility			
Simplicity	sufficient	open to objectification	
Speed	sufficient	open to objectification	improved compared to 2009
Costs	neutral	partly open to objectification	time spent is disappointing for consumers
Social-cultural	sufficient	partly open to objectification	education level possible barrier
Quality			
General	neutral	partly open to objectification	negative assessment with verdict 'unfounded'
Independence	sufficient	partly open to objectification	negative assessment with verdict 'unfounded'
Expertise	sufficient	partly open to objectification	negative assessment with verdict 'unfounded'
Verdict quality	no statement possible	not open to objectification	quality assessment was only performed for specific boards
Other	sufficient	open to objectification	
Position SGC			
coverage	sufficient	open to objectification	growing number of boards
other organisations	sufficient	partly open to objectification	organisations only partly comparable
connection to developments	no statement possible	not open to objectification	discussion partners are at times critical
complaint management	sufficient	open to objectification	

Source: SEO Amsterdam Economics

Accessibility

The SGC's scores on the topics of simplicity and speed are sufficient. The information needed for submitting their complaint is generally easy to find for consumers. Evaluation of their complaint

during the session is also undertaken in an understandable manner, according to consumers. However, consumers find it difficult to provide the required documents for the session.

The speed of the procedure at SGC is also deemed sufficient. The average lead time of the procedure is three months. This is relatively short when compared to the speed of procedures at other organisations for dispute settlement. Consumers and companies are satisfied with the speed at which SGC settles their dispute.

The costs of a procedure at the SGC are relatively low, although the relative height of this threshold may differ for each consumer: the proportion between complaints fees and the transaction value of the dispute differs per procedure. Consumers are on average dissatisfied with the amount of time spent on the procedure. They especially mention travelling to and from the session as an issue. On average, the evaluation's score on the topic of costs is therefore neutral (partly sufficient, partly insufficient).

Quality

Consumers and entrepreneurs are on average satisfied with the quality of the service provided by the SGC. It must be noted that the verdict is an important factor for these scores given by consumers and entrepreneurs: are they put in the right or not? Consumers who have reached a settlement with the entrepreneur during the procedure are very satisfied; the group that is ruled against in the verdict is find the outcome not satisfactory.

The connection between assessment and verdict is important for the consumers' and entrepreneurs' assessment of the independence of the Complaints Boards. According to 43 percent of consumers, the Complaints Boards are (very) biased. This negative assessment has increased compared to 2007, which is a worrisome development. The SGC considers being independent of paramount importance. The procedural safeguards of this matter comply with legal requirements. Consumers and entrepreneurs can challenge the Complaints Board if bias is suspected. The challenge regulations of the SGC were amended in 2012. Since 2012, there has been a limited number of challenge requests. In one case, the request was found justified. This evaluation judges that the safeguards for independence during dispute settlement are sufficient.

Following this evaluation, the expertise of the board members is found sufficient. No statements can be made on the quality of the verdicts due to a lack of objective sources for the assessment. A limited portion of the verdicts by the SGC is tested by a judge. In the period 2009-2016, this occurred approximately 33 times. A third of the verdicts was annulled by the judge, usually on the grounds of a lack of motivation.

SGC's operations are sufficient with regard to the quality of the internal organisation and the transparency of verdicts. There are arguments that plead for the online publication of all verdicts, but it is unclear whether the returns of this greater transparency will outweigh the costs of online publication.

Position of the SGC in the Field of Dispute Settlement

In general, alternative dispute settlement offers consumers a relatively quick, cheap and user-friendly alternative for the administration of justice, especially for disputes with relatively low financial value.

In the period 2009-2016, the number of boards within the Foundation for Consumer Complaints Boards increased from 44 to 57. This has improved the coverage of the Complaints Boards. Consumers can turn to the Complaints Boards for an increasing number of products and services. Since 2015, the General Board has been available for complaints on non-affiliated entrepreneurs or industries.

The number of complaints has not increased correspondingly. Partly due to the founding of Kifid – a specific complaints board for financial services - the number of complaints at the Complaints Board has decreased after 2009. It is possible that the economic situation (fewer transactions) has also contributed to this decrease. Since 2012, the number of complaints is largely stable.

The Complaints Board has also begun to put more focus on other forms of service. An example of this is the establishment of the complaints desk for child care, and the Complaints Board intends to follow this example for other sectors. A complaints desk for health care was created in the middle of 2017. In general, the Complaints Board encourages the use of mediators in order to prevent the need for a Complaints Board procedure. Consumers are shown to be happier when the dispute is resolved through a settlement.

In terms of content, the disputes submitted to the Complaints Board by consumers have not changed much since 2007. Nearly half of the complaints are about poor provision of services (46 percent), followed by delivery of faulty products (24 percent) and incorrect billing or invoicing (24 percent).

The comparison between the Complaints Board and other organisations for extrajudicial dispute settlement can only partly be made on objective grounds. For instance, only the Complaints Board uses a binding form of advice in combination with a compliance guarantee. The lead time for a complaint with the Complaints Board is shorter than with other organisations, such as Kifid and SKGZ – the complaints board for health care insurance.

The Complaints Board will have to employ its services to adequately react to developments in the field of extrajudicial dispute settlement in order to maintain and possibly strengthen its position. Relevant developments include the demand for other forms of dispute settlement, such as mediation. In an economy that is becoming increasingly international due to growing cross-border trade, there is an increasing chance of needing dispute settlement between parties that are located in different countries. Dutch entrepreneurs have to deal with complaints from consumers in other countries, and reversely consumers from the Netherlands can have complaints about entrepreneurs from another country. The digitalisation of economic traffic is also a relevant trend. This includes, for instance, the growth of internet purchases. Digitalisation and internationalisation go hand in hand. Based on the available information, this evaluation can make no statements on the question whether the Complaints Board sufficiently reacts to relevant developments.