

Mandatory arbitration for consumer dispute resolution up to 5.000€

Law no. 63/2019, published on 16 August and which entered in force after 30 days (16 September 2019), establishes that consumer disputes of low economic value must be submitted to mandatory arbitration or mediation at the consumer's sole option.

Provided that there is an explicit option from consumers – a natural person, who is acting outside of the scope of an economic activity – all companies, irrespective of the sector in which they operate, must accept the ruling of a consumer arbitration tribunal (*"Centros de Arbitragem de Conflitos de Consumo"*), if the amount claimed is € 5,000.00 or less. Until this law was enacted, companies could voluntarily adhere to arbitration and many companies did not, leaving consumers with the only option to bring action before Justices of Peace or Judicial Courts.

It should be noted that as a result of this arbitration becoming mandatory and taking into account Law no. 144/2015, of 8 de September, companies who had previously not voluntarily adhered to consumer arbitrations are now required to inform consumers of the available tribunals (*"Centros de Arbitragem de Conflitos de Consumo"*) with jurisdiction to resolve consumer disputes arising from the services or goods such companies sell, due to the mandatory nature of this new provision.

This information must be placed on companies' websites (if available) as well as on the purchase and sale or services agreements entered into between companies and consumers when these are in written form (even if through adherence to general terms and conditions), or in another durable medium, namely a sign placed at retail stores.

The complete list of the tribunals (*"Centros de Arbitragem de Conflitos de Consumo"*) legally authorized is available on the website of the Consumer Directorate-General *"Direcção-Geral do Consumidor"*.

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