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# Alternative Dispute Resolution – CEDR

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## **CEDR**

After a competitive tender exercise in May 2016 CIGA appointed the Centre for Effective Dispute Resolution (CEDR) as its nominated provider for Independent Arbitration Services. CEDR is approved by the Chartered Trading Standards Institute and are the largest conflict management and resolution consultancy in the world. They are exclusively dedicated to improving the way organizations prevent, manage and resolve conflict deadlock with practitioners who actively assist clients to find real-world solutions and as such have led the field of conflict management and resolution for 25 years.

## **Arbitration**

Arbitration is a private process in which an independent third-party is appointed to decide the outcome of a dispute between two or more parties.

The process may be conducted by a sole arbitrator or a panel, according to party requirements, and the arbitrators award is final and binding. Arbitration is often used where parties require a confidential process or where an arbitral award may be more easily enforced in a particular jurisdiction than a judgement from another jurisdiction's

court.

CEDR currently administer a wide range of arbitration schemes for users including:

- [ABTA, The Travel Association](#)
- [Association of Certified Chartered Accountants](#)
- [Football League](#)
- [Health & Safety Executive](#)
- [National House Building Council \(NHBC\)](#)
- [Renewable Energy Consumer Code \(RECC\)](#)
- [Royal Institution of Chartered Surveyors \(RICS\)](#)

Having operated the Arbitration Scheme with CEDR for the last 19 months it is clear that a number of cases which had reached an impasse have now moved forward to resolution with 115 awards published to date and 65 awards either partially or fully successful in favour of the customer.

Whilst partially successful claims form the higher part of the arbitration awards it is reassuring that the arbitrator has often reached a sensible middle ground so that both parties can move to claims resolution.

## **Cost**

Having carried out a review of the cost and type of claims and in light of costs charged to operate similar schemes, CIGA has made the decision to rebase the cost of lodging an arbitration claim. When the scheme was initially launched CIGA based the price to lodge a complaint at £25 plus VAT however it has become apparent that the cost and administrative burden on CIGA and the relative cost to the defendant (CIGA or a trading installer) is not in line with similar schemes and can result in sometimes vexatious or unnecessary claims.

As a result of this review CIGA has taken the decision to increase the fee to lodge an arbitration claim to £100 including VAT with effect from 01st January 2017. In addition, amendments to the scheme rules will be introduced which serve to clarify the scope of the guarantee and in particular reinforce the fact that the guarantee exists to remedy any damages which occur as a direct result of failures in materials and workmanship with Cavity Wall Insulation and not for the provision of compensation which is outside of this scope.

CIGA still believe that the cost of the arbitration service remains good value with the complainant's costs at less than 23 percent of the overall cost and in the event of a partial or fully successful claim the full refund of the fee. This cost is similar to many existing schemes including those operated in the retrofit marketplace and in comparison, to the alternative submission under the Small Claims Court route a significantly less expensive option.

CIGA will continue to offer free of charge access to the service for recognised vulnerable customers.

The Arbitrator can continue to recommend a £100 monetary award in recognition of poor customer services.

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