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**APPROVED BODY ANNUAL REPORT ON
ALTERNATIVE DISPUTE RESOLUTION ACTIVITY
TO THE CHARTERED TRADING STANDARDS INSTITUTE**

PERIOD 1 OCTOBER 2020 TO 30 SEPTEMBER 2021

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1 Introduction

- 1.1 ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.
- 1.2 We're a thriving global community of **233,000** members and **536,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.
- 1.3 We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.
- 1.4 Since 1904, being a force for public good has been embedded in our purpose. In December 2020, we made commitments to the UN Sustainable Development Goals which we are measuring and will report on in our annual integrated report. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.
- 1.5 And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation. Find out more at accaglobal.com
- 1.6 ACCA is authorised by the Chartered Trading Standards Institute (CTSI) as an approved provider of alternative dispute resolution services (ADR) under The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 ('the ADR Regulations'). ACCA provides ADR services in respect of disputes in the accountancy sector.
- 1.7 This report presents a summary of ACCA's processes and results in respect of its ADR service for the period 1 October 2020 to 30 September 2021, in accordance with the requirements of Schedule 5 of the ADR Regulations.

2 Executive summary

- 2.1 During the period 1 October 2020 to 30 September 2021, ACCA received 134 complaints that were suitable for ADR (134 were domestic complaints¹ and none were cross-border complaints²).
- 2.2 A total of 54 complaints were resolved by conciliation (a form of ADR) during the period 1 October 2020 to 30 September 2021. Of these, 54 were domestic complaints and none were cross-border complaints.
- 2.3 A total of 51 complaints were refused for various reasons.
- 2.4 The average time taken to resolve a matter by conciliation on receipt of a complete complaint file was 21 days for domestic complaints.

1 Domestic complaints refer to complaints where the complainant and the member are established in the United Kingdom.

2 Cross-border complaints refer to complaints where the member is established in the United Kingdom and the complainant is resident in an EU member state. During the period 1 October 2020 to 30 September 2021, ACCA received no cross-border complaints. In the previous period (1 October 2019 to 30 September 2020), ACCA received no cross-border complaints.

3 Regulation of ACCA members and students

- 3.1** ACCA is a force for public good. We lead the global accountancy profession by creating opportunity. Our purpose sets out the value we seek to create for society. The idea of opening up the profession, doing things differently and better, and never losing sight of our public interest remit are concepts that lie at the very heart of ACCA's DNA.
- 3.2** ACCA strives towards achieving the highest professional and ethical standards through a robust regulatory framework, and continually works to advance the public interest with regard to its regulatory activities.
- 3.3** ACCA's regulatory functions include an investigation and disciplinary process which is efficient, decisive, fair and transparent, implementing effective sanctions against members who damage or put at risk the interests of consumers.
- The main components are to:
- promptly and consistently identify matters that ought to be subject to the disciplinary process
 - investigate matters in an efficient and cost-effective manner
 - impose sanctions which are consistent and proportionate
 - provide transparency of the process.

4 ACCA and ADR

- 4.1** The EU Directive on Consumer ADR required the UK government to ensure all consumer sectors have access to ADR bodies which are audited against the Directive's quality criteria. The requirements of the Directive were transposed into UK law by the ADR Regulations.
- 4.2** ADR is generally a quicker and cheaper alternative to court, where consumers and traders can resolve their disputes. It is a voluntary process and parties can still choose to take further court action if they do not reach a mutually acceptable solution. There are various types of ADR processes (for example, mediation, conciliation, ombudsmen, arbitration, complaints boards) and parties can decide to use whichever of the methods available would most effectively resolve the dispute.
- 4.3** CTSI acts as the UK Competent Authority on behalf of the Secretary of State and is responsible for dealing with applications from bodies seeking approval as a Consumer ADR Body operating in non-regulated sectors.
- 4.4** ACCA was authorised by the CTSI as an approved provider of ADR services effective from 1 October 2015. Prior to 1 January 2021, ACCA was included on a list published by the European Commission of all dispute resolution bodies in the EU. Consumers who had a complaint about goods and services purchased online were able to submit their dispute via the Online Dispute Resolution (ODR) platform. The ODR platform facilitated the resolution of disputes arising from online transactions between consumers and traders across the EU.

5 ACCA's compliance with the ADR regulations

- 5.1** ACCA ensures that its policies in relation to accepting disputes for conciliation are consistent with the requirements of Schedule 2 and Schedule 3 of the ADR Regulations.
- 5.2** In addition to our obligations to supply relevant information and cooperate with regulatory oversight, ACCA is required to satisfy the CTSI that we comply with the following in respect of the operation of our ADR function:
- ACCA offers ADR services in respect of disputes brought by consumers against practising firms or practising individuals.
 - A consumer can submit a complaint, together with any supporting documents, online (via the ACCA website) or by post³.
 - The parties can exchange information with ACCA either electronically or by post³.
 - The parties to a dispute are not obliged to be represented or assisted by a third party.
 - ACCA's Conciliation Service is available free of charge to consumers.
 - ACCA ensures that the investigations officer responsible for a particular dispute is neither employed nor remunerated directly by a party to the dispute, and that the investigations officer does not discharge their duties in a way that is biased to either party to the dispute.
 - An investigations officer has an obligation to disclose to ACCA relevant conflicts of interest, and that obligation continues throughout the ADR process.
 - ACCA ensures that investigations officers possess the necessary knowledge and skills to be able to perform their functions competently, and that the Conciliation Service is adequately funded.
- 5.3** In addition, ACCA is required to communicate effectively and fairly with the parties and allow the parties to communicate with ACCA concerning information and documents provided to ACCA. Any solutions proposed during the course of the conciliation are not binding on the parties, and the parties must be made aware that they may withdraw from the conciliation process at any stage, and that their participation in the process will not preclude them from seeking redress through court proceedings.
- 5.4** Members who wish to withdraw from the conciliation process are still subject to a duty to cooperate with ACCA. Therefore, withdrawal from the conciliation process could result in the complaint being investigated.

³ Due to the impact of Covid-19, complaints and communications are conducted online, unless a party requests postal communication.

6 ACCA's ADR processes

- 6.1** ACCA's commitment to acting in the public interest means that we act for the benefit of the whole rather than individual complainants or members. We are, therefore, obliged to utilise our resources efficiently and effectively by carrying out an initial assessment of all complaints received where there is no evidence of misconduct.
- 6.2** The initial assessment is carried out by the assessment manager who will assess the following:
- jurisdiction
 - that the complaint is accountancy-related
 - that the complainant has attempted local resolution with the member, when appropriate
 - the complaint complies with our current policies
 - evidence supporting the complaint
 - what the complainant would like as an outcome (ACCA's function is regulatory and disciplinary in nature and does not offer recompense for any loss suffered - ACCA is not a substitute for legal proceedings)
 - the parties' willingness to participate in the process.
- 6.3** Following the initial assessment, if the complaint relates to audit or investment business and indicates misconduct, it is routed to the Investigations team. Complaints suitable for ADR are referred to our Conciliation Service. Complaints that are not in accordance with ACCA's policy on complaints that we will investigate are rejected.
- 6.4** ACCA's ADR facility, the Conciliation Service, has been in operation since 2007 and consists of a small team of lawyers and complaint handling specialists, including an accredited mediator. The Conciliation Service deals with those complaints that, while not indicative of misconduct, appear that they could benefit from the input of ADR. For the avoidance of doubt, due to our regulatory obligations **no** complaints that indicate misconduct are dealt with via ADR.
- 6.5** Following the assessment of a complaint as suitable for conciliation, the matter is allocated to an investigations officer who will then request any further information required to commence the conciliation process.

Disputes accepted by ACCA as suitable for ADR

- 6.6** The Conciliation Service assists in disputes which are connected with the provision of accountancy or related services, and might concern matters such as:
- poor quality of services
 - poor quality of work
 - apparent lack of objectivity
 - possible failure to maintain professional competence
 - breach of confidentiality
 - attempting to gain clients by inappropriate means (eg through a former employment relationship)
 - making exaggerated claims or disparaging references to others within marketing material
 - other inappropriate or unprofessional behaviour
 - failure to provide transfer information to a client's new or proposed accountant.

- 6.7 Although ACCA would be unable to conciliate in respect of the quantum of fees charged, an investigations officer may assist the parties to determine whether ACCA's regulations, for example in respect of transparency, have been complied with. The appropriate forum for disputing the level of fees charged, and other contractual disputes, would be the courts.

Total number of disputes received by complaint type⁴

- 6.8 All disputes received relate to the accountancy sector. The table below provides a breakdown of disputes suitable for ADR by complaint type.

Complaint type	Domestic	Cross-border	Total
Breach of the fundamental principle of Confidentiality	5	0	5
Breach of the fundamental principle of Integrity	12	0	12
Breach of the fundamental principle of Objectivity	2	0	2
Breach of the fundamental principle of Professional competence and due care	50	0	50
Breach of the fundamental principle of Professional Behaviour	34	0	34
Carrying on in public practice whilst not authorised	2	0	2
Criminal conviction – Dishonesty	1	0	1
Failure to provide professional clearance/transfer information/ client documents	17	0	17
Fee dispute	11	0	11
Total	134	0	134

Total number of disputes refused by reason for refusal

- 6.9 There are a number of grounds within the ADR Regulations on which ACCA may refuse to deal with a complaint. The table below provides a breakdown of the number of complaints refused by reason.

Reason for refusal ⁵	Refused	% share
Failure to contact trader first	4	8%
Complaint frivolous/vexatious	43	84%
Dispute previously considered by another ADR provider or court	0	0%
Value of claim falls below threshold	0	0%
Complainant submitted complaint outside specified time period	3	6%
Dealing with the dispute would seriously impair the effective operation of ACCA's ADR operation	1	2%
Total	51	100%

4 Total number of disputes received includes all complaints received by the Assessment team. These are then triaged for refusal, referral to ACCA's ADR service or referral to Investigations.

5 For the purposes of this report, ACCA has used the 'reasons for refusal' provided within the ADR Regulations. However, ACCA's standard refusal terminology differs and our standard refusal reasons (in accordance with current ACCA policies) have been aligned with the terminology provided by the ADR Regulations.

Average time to deal with an ADR complaint

- 6.10** The average time taken to resolve an ADR dispute, from receipt of the complaint to the conclusion of the ADR process (ie the time when an outcome has been reached), was 119 days for domestic complaints. There were no cross-border complaints.
- 6.11** The average time taken to resolve an ADR dispute, from receipt of a complete complaint file to the conclusion of the ADR process, was 21 days for domestic complaints. There were no cross-border complaints.
- 6.12** The total average time to resolve ADR disputes was 70 days.

Systemic or significant problems

- 6.13** ACCA regularly analyses the complaint information it receives to identify any trends and key issues. There were no systemic or significant problems to report during this period.

ADR procedures which were discontinued for operational reasons

- 6.14** ACCA regularly reviews its procedures to ensure they remain effective. No ADR procedures were discontinued for operational reasons during this period.

Percentage rate of compliance with the outcomes of the ADR procedure

- 6.15** ACCA's Conciliation Service ensures that 100% of successfully conciliated complaint outcomes (ie complaints which have resulted in an agreed outcome), are complied with by our members, prior to the closure of ACCA's complaint file.

Appendix – useful links

Making a complaint about an ACCA member

www.accaglobal.com/gb/en/footer/toolbar/contact-us/make-a-complaint-about-an-acca-member

Guide to ACCA's complaints and disciplinary procedures

www.accaglobal.com/content/dam/ACCA_Global/disc/complain/Guide-to-complaints-and-disciplinary-procedures.pdf

ACCA's Conciliation Service

www.accaglobal.com/gb/en/footer-toolbar/contact-us/make-a-complaint-about-an-acca-member/faqs-about-the-conciliation-service

Guide to ACCA's Conciliation Service

https://www.accaglobal.com/content/dam/ACCA_Global/disc/complain/Guide-to-ACCAs-conciliation-service.pdf

Chartered Trading Standards Institute

www.tradingstandards.uk/advice/AlternativeDisputeResolution.cfm

The Alternative Dispute Resolution for Consumers Disputes (Competent Authorities and Information) Regulations 2015

www.legislation.gov.uk/uksi/2015/542/made



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Think Ahead