



Consumers, Estate Agents and Redress Act 2007

2007 CHAPTER 17

PART 2

COMPLAINTS HANDLING AND REDRESS SCHEMES

Requirements relating to redress schemes

47 Membership of redress scheme

- (1) The Secretary of State may by order require regulated providers to be members of a redress scheme which is—
 - (a) approved by their relevant regulator in accordance with section 49, or
 - (b) administered by the Secretary of State (or a person appointed by the Secretary of State) and designated by the Secretary of State as an appropriate redress scheme in relation to them.
- (2) The order may provide that the requirement applies only in relation to consumer complaints of a kind specified in the order.
- (3) In particular, the order may specify a kind of consumer complaint by reference to the subject-matter of a complaint, or the description of person making a complaint.
- (4) Before making an order under this section the Secretary of State must consult—
 - (a) each relevant regulator (in relation to regulated providers to which the order will apply), and
 - (b) other persons appearing to the Secretary of State to be representative of persons who have an interest in the matter.
- (5) The requirements of subsection (4) may be satisfied by consultation undertaken before the commencement of this section or the passing of this Act.

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- (6) An order under this section which applies to a water undertaker or sewerage undertaker for an area which is wholly or mainly in Wales may be made only with the consent of the Welsh Ministers.
- (7) The Secretary of State may not make an order under this section unless satisfied, in relation to each regulated provider to which the order will apply, that—
- (a) there is at least one qualifying redress scheme which the provider is eligible to join and membership of which will satisfy the requirement imposed by the order, or
 - (b) there will be such a scheme when the order comes into force.
- (8) The Secretary of State may not designate a scheme in relation to regulated providers under subsection (1)(b) unless the Secretary of State is satisfied that the scheme is one which could be approved by their relevant regulator in accordance with section 49.
- (9) The Secretary of State may establish or administer a scheme for the purposes of subsection (1)(b), or provide financial assistance to a person who establishes or administers such a scheme; and such a scheme may provide for fees to be payable by members of the scheme.

Commencement Information

II S. 47 in force at 21.12.2007 by [S.I. 2007/3546](#), art. 3, [Sch.](#)

48 Membership of redress schemes: supplementary

- (1) In this Part—
- “qualifying redress scheme” means a redress scheme within paragraph (a) or (b) of section 47(1);
- “redress scheme” means a scheme under which consumer complaints may be made to, and investigated and determined by, an independent person (“the independent person”);
- “scheme administrator”, in relation to a redress scheme, means the person who administers the scheme,
- and references to approval of a redress scheme are to approval of the scheme for the purposes of section 47(1)(a).
- (2) In the definition of “redress scheme”, “independent”, in relation to a consumer complaint, means independent of—
- (a) the regulated provider against whom the complaint is made, and
 - (b) the regulator who is the relevant regulator in relation to the regulated provider.
- (3) Nothing in this Part prevents a qualifying redress scheme providing—
- (a) for membership to be open to persons who are not subject to any duty to belong to a qualifying redress scheme;
 - (b) for the investigation and determination of complaints other than those in relation to which such a duty applies, made against members who have voluntarily accepted the jurisdiction of the scheme over such complaints.
- (4) For the purposes of the law relating to defamation, proceedings under a qualifying redress scheme (in relation to a consumer complaint and a regulated provider to which

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an order under section 47 applies) are to be treated in the same way as proceedings before a court.

Commencement Information

I2 S. 48 in force at 21.12.2007 by [S.I. 2007/3546](#), art. 3, [Sch.](#)

49 Approval of redress schemes

- (1) In deciding whether to approve a redress scheme, a regulator must have regard to—
- (a) the provisions of the scheme;
 - (b) the manner in which the scheme will be operated (so far as that can be judged from the facts known to the regulator);
 - (c) the interests of relevant consumers (in relation to the regulator's regulated providers);
 - (d) such principles as—
 - (i) in the opinion of the regulator constitute generally accepted principles of best practice in relation to schemes for providing redress to consumers, and
 - (ii) it is reasonable to regard as applicable to the scheme.
- (2) In considering the interests of relevant consumers under subsection (1)(c), the regulator must in particular have regard to the number of other redress schemes applying to its regulated providers which are (or are likely to become) qualifying redress schemes.
- (3) A regulator must not approve a redress scheme unless—
- (a) membership of the scheme is open to all the regulator's regulated providers, and those regulated providers may not be expelled from membership of the scheme,
 - (b) if, at the time the approval is given, any of the regulator's regulated providers are required under section 47 to be a member of a redress scheme (or would be so required but for the fact that an order which has been made under that section is not yet in force), the scheme covers all the consumer complaints to which the requirement applies,
 - (c) the independent person may require regulated providers to provide complainants with the types of redress listed in subsection (6) (whether or not other types of redress are available), and
 - (d) the regulator considers that the scheme makes satisfactory provision about the matters listed in subsection (7).
- (4) Subsection (3)(a) does not prevent the Gas and Electricity Markets Authority approving—
- (a) a scheme which is open to all regulated gas providers, but not regulated electricity providers,
 - (b) a scheme which is open to all regulated electricity providers, but not regulated gas providers,
- and, in the case of such a scheme, subsection (3)(b) applies as if the reference to the regulator's regulated providers were to the regulated gas providers or, as the case may be, regulated electricity providers.

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- (5) For this purpose—
- “regulated electricity provider” means a person holding a licence under section 6(1)(c) or (d) of the Electricity Act 1989 (c. 29);
- “regulated gas provider” means a person holding a licence under section 7(2) or 7A(1) of the Gas Act 1986 (c. 44).
- (6) The types of redress mentioned in subsection (3)(c) are—
- (a) providing an apology or explanation,
 - (b) paying compensation, and
 - (c) taking such other action in the interests of the complainant as the independent person may specify.
- (7) The matters mentioned in subsection (3)(d) are—
- (a) the matters about which complaints may be made (which may include non-compliance with a code of practice or other document);
 - (b) the independent person's duties and powers in relation to the investigation and determination of complaints (which may include power to decide not to investigate or determine a complaint);
 - (c) the enforcement of any requirement to provide redress imposed on a regulated provider in accordance with the scheme;
 - (d) the provision of information by the independent person to the regulator and to persons within subsection (8);
 - (e) the provision of information by the independent person—
 - [^{F1}(i) to Citizens Advice Scotland, for the purposes of any qualifying public consumer advice scheme supported by the body (on its own or jointly with one or both of Citizens Advice and Consumer Scotland),]
 - [^{F1}(ia) to Consumer Scotland, for the purposes of any qualifying public consumer advice scheme supported by the body (on its own or jointly with one or both of Citizens Advice and Citizens Advice Scotland), and]
 - [^{F2}(ii) to persons who operate a qualifying public consumer advice scheme supported by Citizens Advice^[F3], Citizens Advice Scotland or Consumer Scotland, or by all or any two of those bodies jointly], for the purposes of that scheme;]
 - (f) the acceptance and handling of complaints transferred from redress schemes which have their approval withdrawn under section 51.
- (8) The persons within this subsection are—
- (a) any other body having regulatory functions in relation to the regulated providers to which the scheme applies;
 - (b) persons exercising functions under other redress schemes which apply to the regulator's regulated providers;
 - [^{F4}(c) Citizens Advice;
 - (ca) so far as regards schemes to be approved by the Gas and Electricity Markets Authority, Citizens Advice Scotland [^{F5}and Consumer Scotland];]
 - (d) the Secretary of State.
- [^{F6}(9) For the purposes of this section a qualifying public consumer advice scheme is a scheme that is supported by Citizens Advice^[F7], Citizens Advice Scotland or Consumer

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Scotland, or by all or any two of] them jointly, in a manner that the Office of Fair Trading is prohibited from supporting by section 8A of the Enterprise Act 2002.]

Textual Amendments

- F1** S. 49(7)(e)(i)(ia) substituted for s. 49(7)(e)(i) (13.1.2022) by The Consumer Scotland Act 2020 (Consequential Provisions and Modifications) Order 2022 (S.I. 2022/34), art. 1(1), **Sch. para. 7(14)(a)** (with art. 5)
- F2** S. 49(7)(e)(i)(ii) substituted (1.4.2014) by The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 (S.I. 2014/631), art. 1(3), **Sch. 1 para. 12(45)(a)** (with Sch. 1 para. 28, Sch. 2 paras. 13-15)
- F3** Words in s. 49(7)(e)(ii) substituted (13.1.2022) by The Consumer Scotland Act 2020 (Consequential Provisions and Modifications) Order 2022 (S.I. 2022/34), art. 1(1), **Sch. para. 7(14)(b)** (with art. 5)
- F4** S. 49(8)(c)(ca) substituted (1.4.2014) for s. 48(8)(c) by The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 (S.I. 2014/631), art. 1(3), **Sch. 1 para. 12(45)(b)** (with Sch. 1 para. 28, Sch. 2 paras. 13-15)
- F5** Words in s. 49(8)(ca) inserted (13.1.2022) by The Consumer Scotland Act 2020 (Consequential Provisions and Modifications) Order 2022 (S.I. 2022/34), art. 1(1), **Sch. para. 7(14)(c)** (with art. 5)
- F6** S. 49(9) inserted (1.4.2014) by The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 (S.I. 2014/631), art. 1(3), **Sch. 1 para. 12(45)(c)** (with Sch. 1 para. 28, Sch. 2 paras. 13-15)
- F7** Words in s. 49(9) substituted (13.1.2022) by The Consumer Scotland Act 2020 (Consequential Provisions and Modifications) Order 2022 (S.I. 2022/34), art. 1(1), **Sch. para. 7(14)(d)** (with art. 5)

Commencement Information

- I3** S. 49 in force at 21.12.2007 by S.I. 2007/3546, art. 3, **Sch.**

50 Approval of redress schemes: supplementary

- (1) An application for approval of a redress scheme must be made in such manner, and accompanied by such information, as the regulator to which the application is made may determine.
- (2) Section 51 applies if the regulator is minded to refuse an application for approval.
- (3) The scheme administrator of a redress scheme approved by a regulator must notify the regulator of any change to the scheme before the end of the period of 14 days beginning with the day on which the change is made.
- (4) A regulator may, in accordance with section 51, withdraw its approval of a redress scheme, and may do so generally or in relation to consumer complaints of a description specified by the regulator.
- (5) In particular, a regulator may withdraw its approval in relation to consumer complaints made on or after a date specified by the regulator.

Commencement Information

- I4** S. 50 in force at 21.12.2007 by S.I. 2007/3546, art. 3, **Sch.**

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51 Procedure for refusing or withdrawing approval

- (1) Before refusing or withdrawing its approval of a redress scheme, the regulator must give the scheme administrator a notice—
 - (a) stating that the regulator proposes to refuse or withdraw its approval,
 - (b) giving the reasons for the proposed refusal or withdrawal, and
 - (c) specifying a time (not being earlier than the end of the period of 30 days beginning with the day on which the notice is given to the scheme administrator) before which representations about the proposed refusal or withdrawal may be made.
- (2) The regulator must give notice to the scheme administrator of—
 - (a) the regulator's decision on a proposal to refuse or withdraw approval, and
 - (b) the reasons for its decision.
- (3) In the case of a decision to withdraw approval, the regulator must also give notice of its decision and the reasons for it to the Secretary of State.
- (4) The scheme administrator must give a copy of the notice under subsection (2) to each member of the scheme.
- (5) If the regulator decides to withdraw approval, the withdrawal has effect in accordance with, and from the date specified in, the notice under subsection (2).
- (6) Where a redress scheme designated under section 47(1)(b) is administered by a person appointed by the Secretary of State, this section (other than subsection (3)) applies in relation to a revocation by the Secretary of State of that person's appointment as it applies in relation to a withdrawal by a regulator of the approval of a redress scheme.

Commencement Information

I5 S. 51 in force at 21.12.2007 by [S.I. 2007/3546](#), art. 3, [Sch.](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 42(4)(c) words substituted by [2023 c. 52 Sch. 17 para. 16\(a\)](#)
- s. 42(4)(c) words substituted by [2023 c. 52 Sch. 17 para. 16\(b\)](#)