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**New EU Directive 2025/2647 on consumer Alternative Dispute Resolution (ADR): Key Updates & legal implications for EU businesses**

# New EU Directive 2025/2647 on consumer Alternative Dispute Resolution (ADR): Key Updates & legal implications for EU businesses

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## Introduction

The new (EU) Directive 2025/2647, adopted on 16 December 2025 and published in the Official Journal of the European Union on 30 December 2025 updates the alternative dispute resolution (ADR) framework for consumer disputes to better assist the dynamic digital economy. In particular, the new Directive amends Directive 2013/11/EU and Directives 2015/2302, 2019/2161 and 2020/1828, following the discontinuation of the European Online Dispute Resolution (ODR) Platform.

The new Directive applies to all EU B2C relationships, including online and cross-border transactions, regardless of business size or type, it extends its scope to traders established in third countries who direct their activities to consumers within the EU and replaces the platform-based model with an integrated, digitally-enabled ADR ecosystem.

## Legal background and rationale for reform

The new EU Directive updates the existing ADR framework (Directive 2013/11/EU) to address the ever-growing complexity of cross-border disputes, introducing expanded scope, stronger procedural safeguards, case bundling for mass claims, and enhanced cross-border cooperation.

Recent structural and technological changes—such as the continuing growth of e-commerce, digital services, and the platform economy—highlighted

limitations in the original ADR system. The centralized ODR platform saw low usage, while cross-border enforcement remained challenging, especially for traders outside the EU.

The new ADR framework aims to strengthen consumer trust in the EU internal market by making out-of-court dispute resolution more accessible, effective, and attractive. The Directive addresses structural and practical obstacles in the existing ADR system, including low consumer awareness, uneven availability across Member States, procedural complexity, high operational costs, limited trader participation, and varying expertise among ADR bodies.

## Overview of the new ADR updates:

- **A broader scope of application of the new ADR**

The Directive extends the scope of Directive 2013/11/EU to:

- Disputes between EU-based consumers and traders established in third countries, provided the trader directs its commercial activities toward consumers within the EU and agrees to participate in the ADR procedure;
- Disputes stemming from the pre-contractual phase (e.g. misleading commercial practices; inadequate or incomplete pre-contractual information); and
- Contracts for the supply of digital content or digital services concluded between a

consumer and a trader, including cases where consumers provide personal data in exchange for content or services (new Article 2(1)).

- **Discontinuation of the centralized ODR platform model and transition to a fully digitalized ADR system**

The previous regime relied on the EU-wide ODR platform as a single gateway for online complaints. While innovative, it faced low trade engagement and uneven use across Member States. The new Directive shifts from a centralized ODR platform to a fully digitalized ADR ecosystem, embedding digital tools directly into ADR entities. The European Commission will develop a multilingual information and interconnection tool to guide consumers to the appropriate ADR body and support cross-border communication, enhancing flexibility, interoperability, and accessibility.

The transition reflects a move from a centralized “one-stop” complaint model to a decentralized but **fully digitalized ADR ecosystem** which aims to enhance flexibility while ensuring technological interoperability and user accessibility

- **Digital integration at the Level of ADR bodies**

Under the revised framework, ADR entities must be capable of managing disputes through fully electronic means, including electronic submission of complaints, digital exchange of documents and evidence, online communication between parties, secure digital record-keeping and case management.

- **Strengthened procedural obligations for traders**

The new ADR Directive introduces clearer and more structured obligations for traders, designed to increase engagement with ADR procedures.

- **Obligation to Respond:** Traders established within EU territory are required to respond within 20 working days to requests from ADR entities, confirming whether they will

participate in the ADR procedure. This period may be extended to 30 working days where the dispute presents particular complexity or in the presence of exceptional circumstances (new to Article 5 (9)).

National legislation will determine the consequences of failing to reply. However, this obligation does not apply where:

- The trader’s participation in the ADR procedure is mandatory;
- ADR outcomes can be reached without the trader’s consent to participate; or
- The trader has already committed contractually to use ADR entities to resolve consumer disputes.

- **Internal Complaint Handling Mechanisms:** Although the Directive does not impose a uniform internal complaints system across all sectors, it implicitly requires businesses to maintain adequate internal procedures capable of: promptly assessing incoming complaints; coordinating with ADR entities, preserving digital documentation and communication records as well as designating responsible personnel for dispute management.

Companies active in high-complaint sectors—such as digital services, telecommunications, travel, or online retail—should in particular evaluate the efficiency and resilience of their internal compliance structures.

- **Update of Terms & Conditions:** E-commerce businesses shall provide ADR information in a clear, understandable, and easily accessible manner by appropriately revising their terms and conditions on their website.

- **Integration of safeguards for automated decision-making**

The Directive requires Member States to ensure that consumers are notified in advance of the use of

automated decision-making tools and that decisions can be reviewed by a competent person within the ADR entity.

- **Case bundling for mass disputes**

The Directive allows ADR entities to consolidate cases involving consumers affected by the same unlawful practices (Recital 22), in accordance with the conditions set out in the new Article 5(2)(f). Member States may also establish additional criteria for such case bundling. This measure bridges individual ADR procedures and collective redress, enabling more efficient handling of mass disputes while preserving the flexibility of alternative dispute resolution.

- **Strengthened institutional cooperation**

The Directive enhances cooperation between ADR entities and national consumer protection authorities through the exchange of information on sector-specific practices, including unfair commercial practices or terms (new Article 17(2)). It also acknowledges that the ADR “contact points,” such as the Consumer Ombudsman and the European Consumer Centre Greece, as provided for under the existing national framework (Joint Ministerial Decision 70330/30.06.2015, Gov. Gazette B’ 1421/09.07.2015), are intended to facilitate support for both consumers and traders in cross-border disputes.

### **Implementation timeline and transitional provisions**

- Published in the Official Journal of the European Union on 30 December 2025, the Directive entered into force on 19 January (Article 6 Directive).
- The new EU Directive must be transposed by the member states by 20 March 2028 at the latest, for application on 20 September 2028 (Article 5 Directive).
- The Commission must, by 20 April 2026 at the latest, develop an interactive digital tool providing information on consumer redress, the use of ADR in a cross-border context and

links to consumer rights information (new Article 20).

### **Practical Implications for businesses**

- **Removal of the ODR link requirement**

Under the previous regime, traders engaged in online sales were required to provide an easily accessible link to the EU ODR platform in their terms and conditions and on their websites.

With the discontinuation of the centralized ODR platform, this obligation will no longer apply. Businesses should nevertheless ensure compliance with updated national information requirements, including, where applicable, their website terms and conditions, once transposition measures are implemented. While the binding compliance requirement will only take effect upon implementation of the national transposition measures (expected by 2028), businesses are encouraged to use the period leading up to 2028 as a structured transition phase. In particular, they should map their current compliance framework — including website legal notices, terms and conditions, consumer information pages and complaint-handling procedures — and prepare for targeted amendments once the final national implementing measures are adopted. Incorporating these forthcoming changes into forward-looking compliance planning will help ensure a smooth and timely alignment with the new regime

- **Organizational and technical measures**

Given the emphasis on full digitalization, businesses must ensure:

- Secure digital archiving of contractual and communication records;
- Capacity to exchange documents electronically with ADR bodies;
- Compliance with data protection standards during dispute handling;

- Effective cooperation with ADR entities, including timely responses to requests and coordination with national ADR bodies;
- Internal procedures and mechanisms to manage ADR-related risks, including reviewing and updating terms and conditions as necessary.

Subject to any sanctions that may be determined by the national transposition law, failure to establish appropriate infrastructure may result in procedural inefficiencies and reputational risks.

### Conclusive remarks

The newly established ADR framework under Directive 2025/2647 reinforces consumer protection law while imposing new compliance obligations on businesses across the EU, requiring them to integrate ADR considerations into their customer service strategies and compliance frameworks.

By expanding the ADR scope to digital services, pre-contractual disputes and third-country traders, introducing compliance requirements for EU businesses, and strengthening institutional cooperation, the EU legislator aims to modernise and enhance the consumer dispute resolution process.

The Directive also encourages Member States to adopt measures—financial or non-financial—to promote trader and consumer participation in ADR, reflecting a policy shift toward structured and technologically integrated consumer protection.

The effectiveness of the reform will depend on national implementation, particularly in promoting trader participation, enforcing response obligations, and deploying digital tools. For businesses—especially those operating online or across borders—the Directive represents both a compliance requirement and a strategic opportunity, as an early review of organizational structures, contractual terms, and digital capabilities can help leverage ADR to strengthen customer relations, reduce litigation risk, and safeguard reputation.

Finally, it is noteworthy that, until the new ADR (EU) Directive is transposed into national law, Greece continues to apply Joint Ministerial Decision 70330/30.06.2015 (Gov. Gazette B' 1421/09.07.2015). The Decision establishes the national framework for alternative dispute resolution (ADR), setting out the responsibility for B2C providers to ensure that consumers have clear and accessible information on how to submit complaints and to cooperate with approved ADR entities. to resolve disputes efficiently.

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