

The ACCA logo is a red square with the letters 'ACCA' in white, bold, sans-serif font.

Approved body annual report  
on alternative dispute resolution  
activity to the Chartered Trading  
Standards Institute

PERIOD 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

Think Ahead

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## 1. Introduction

- 1.1 ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.
- 1.2 Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of consistent global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We work to open up the profession to people of all backgrounds and remove artificial barriers to entry, ensuring that our qualifications and their delivery meet the diverse needs of trainee professionals and their employers.
- 1.3 We support our **219,000** members and **527,000** students in **179** countries, helping them to develop successful careers in accounting and business, with the skills required by employers. We work through a network of **110** offices and centres and more than **7,571** Approved Employers worldwide, who provide high standards of employee learning and development. Through our public interest remit, we promote appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.
- 1.4 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.
- 1.5 This report presents a summary of ACCA's processes and results in respect of its ADR service for the period 1 October 2018 to 30 September 2019, in accordance with the requirements of Schedule 5 of the ADR Regulations.

## 2. Executive summary

- 2.1 During the period 1 October 2018 to 30 September 2019, ACCA received 199 complaints that were suitable for ADR (199 were domestic complaints<sup>1</sup> and none were cross-border complaints<sup>2</sup>).
- 2.2 A total of 98 complaints were resolved by conciliation (a form of ADR) during the period 1 October 2018 to 30 September 2019. Of these, 97 were domestic complaints and one<sup>3</sup> was a cross-border complaint.
- 2.3 A total of 93 complaints were refused for various reasons (93 domestic complaints and zero cross-border complaints).
- 2.4 The average time taken to resolve a matter through conciliation on receipt of a complete complaint file was 27 days for domestic complaints and 28 days for cross-border complaints.

## 3. Regulation of ACCA members and students

- 3.1 ACCA's mission is to:
- provide opportunity and access to people of ability around the world and support our members throughout their careers in accounting, business and finance
  - achieve and promote the highest professional, ethical and governance standards
  - advance the public interest
  - be a global leader in the profession.
- 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.

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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 another member state. During the period 1 October 2018 to 30 September 2019, ACCA received no cross-border complaints. In the previous period (1 October 2017 to 30 September 2018), ACCA received eight cross-border complaints.

3 This cross-border complaint was received in August 2018 but was resolved during the reporting period.

- 3.3 ACCA's regulatory functions include an investigation and disciplinary process which is decisive, fair and transparent, implementing effective sanctions against members who damage or put at risk the interests of consumers.

The main components are to:

- identify quickly and consistently 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 requires 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 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. As an approved ADR body, ACCA is included on a list published by the European Commission of all dispute resolution bodies in the EU. Consumers who have a complaint about goods and services purchased online are able to submit their dispute via the Online Dispute Resolution (ODR) platform. The ODR platform facilitates 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 is able to submit a complaint, together with any supporting documents, online (via the ACCA website) or by post.
  - The parties are able to exchange information with ACCA either electronically or by post.
  - 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.

## 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 department or, in the case of insolvency complaints, to the Insolvency Practitioners Association (IPA) with whom ACCA has a collaboration agreement. 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 either lawyers and/or mediators. 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 in order 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 mediate 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 type<sup>4</sup>

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 Professional Competence and Due Care	96	0	96
Breach of the fundamental principle of Confidentiality	7	0	7
Breach of the fundamental principle of Integrity	16	0	16
Breach of the fundamental principle of Objectivity	2	0	2
Breach of the fundamental principle of Professional Behaviour	28	0	28
Criminal conviction	3	0	3
Failure to provide professional clearance/transfer information/client documents	14	0	14
Fee dispute	17	0	17
Former member – no investigation	3	0	3
Investment business	0	0	0
Disciplined by another body or another process	0	0	0
Failure to satisfy judgement debt without reasonable excuse	0	0	0
Carrying on in public practice whilst not authorised	3	0	3
Breach of Examination Regulations	1	0	1
Failure to cooperate with ACCA	8	0	8
Probate	1	0	1
<b>Total</b>	<b>199</b>	<b>0</b>	<b>199</b>

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

### 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 <sup>5</sup>	Refused	% Share
Failure to contact trader first	0	0%
Complaint frivolous/vexatious	1	1%
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	17	18%
Dealing with the dispute would seriously impair the effective operation of ACCA's Conciliation Service	75	81%
<b>Total</b>	<b>93</b>	<b>100%</b>

### Average time to deal with an ADR complaint

6.10 The average time taken to resolve a matter through ADR on receipt of a complete complaint file was 27 days for domestic complaints and 28 days for cross-border complaints.

6.11 The average time to reject a complaint was 25 days for domestic complaints. There were no cross-border complaints.

### Systemic or significant problems

6.12 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

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

<sup>5</sup> ACCA has utilised the reasons within the ADR Regulations for refusal to the best of its ability, however we do not use this terminology when rejecting a complaint.

### **Percentage rate of compliance with ADR procedure outcomes**

6.14 ACCA is unable to provide data in relation to compliance as we do not always receive feedback on the outcomes.

### **Cooperation with other ADR entities in relation to cross-border disputes**

6.15 ACCA has not had an opportunity to cooperate with any other ADR entity in relation to cross-border disputes.

## **Appendix – useful links**

### **Making a complaint about an ACCA member**

[www.accaglobal.com/gb/en/footertoolbar/contact-us/make-a-complaint-about-an-acca-member](http://www.accaglobal.com/gb/en/footertoolbar/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](http://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/footertoolbar/contact-us/make-a-complaint-about-an-acca-member/faqs-about-the-conciliation-service](http://www.accaglobal.com/gb/en/footertoolbar/contact-us/make-a-complaint-about-an-acca-member/faqs-about-the-conciliation-service)

### **Guide to ACCA's Conciliation Service**

[www.accaglobal.com/content/dam/ACCA\\_Global/disc/complain/Guide-to-ACCAs-conciliation-service.pdf](http://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](http://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](http://www.legislation.gov.uk/uksi/2015/542/made)

### **The European Commission Online Dispute Resolution platform**

<https://ec.europa.eu/consumers/odr/main/?event=main.home2.show>

### **The European Commission list of dispute resolution bodies**

<https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>

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