

Insurance Complaints Committee

The committee operates according to an agreement between the government, the Consumers' Association of Iceland and insurance companies. It rules on disputes about liability and cases concerning laws about insurance contracts. The committee is housed by the Financial Supervisory Authority and the case handling fee is 6.000 ISK. The caseload is extensive and in the last ten years about 3.000 cases have been put for the committee.

Example of cases from the Insurance Complaints Committee (case no. 96/2009)

M, who had homeowner's insurance, had a water leak in his kitchen which caused damage to parquet flooring. Liability was not the issue but rather how to repair the damage. The parquet was continuous through the kitchen, hall and living room. The insurance company wanted to replace the parquet in the kitchen and place a board to divide the kitchen flooring from the hall and living room flooring. M would not agree to that and wanted the damaged flooring replaced and the whole flooring sanded down so it would match better and be more like the flooring was before the damage occurred. The committee agreed to M's plan of action because the flooring would look more uniform as before and the value of the property would not decrease.



The Complaints Committee of the Consumers' Association of Iceland and the Association of Dry Cleaners

The committee operates according to an agreement between the Consumers' Association of Iceland and the Association of Dry Cleaners, but the committee also has one member appointed by the Ministry of Economic Affairs who also serves as chairman. The committee rules in disputes between consumers and dry cleaners. It has been operating for about 20 years and is housed by the Consumers' Association of Iceland. The case-handling fee is 1.000 ISK.



2011

ECC-ICELAND

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What resources are available for consumers in major disputes?

Often enough disputes between consumers and traders are not easily resolved. Until recently Icelandic law did not allow for consumers to group together for collective redress. Often the dispute is over a relatively low amount, which would not be cost-effective for individuals to pursue before the courts, as the court system can be both expensive and time-consuming. Therefore Alternative Dispute Resolution schemes are important for consumers in disputes that, despite of the ECC-net's or Consumer Association's intervention, cannot be resolved. ADRs provide consumers with a cheap and fast way to resolve disputes. Even though the new law is now in place for collective redress it can be expected that consumers will still largely depend on ADRs. Following will be a short summary on some ADR schemes available for consumers, but some ADRs are better known than others and caseloads vary greatly.

The Complaints Committee of Consumer Goods and Services

The Committee handles cases concerning consumer purchase, general purchase of goods and the purchase of services. One committee member is appointed by the Consumers' Association of Iceland, another is appointed by SA (Confederation of Icelandic Employers) and the third, who will serve as chairman, is appointed by the Ministry of Economic Affairs. The committee is housed by the Consumer Agency and there is no case-handling fee. The caseload has increased steadily and the last few years it has reached over a hundred cases per year. An extensive look at the committee's ruling was published (in Icelandic) in the first issue of Neytendablaðið (The Consumer Magazine) 2010.

The Ruling Committee in Travel Industry Matters

The committee operates according to an agreement between the Consumers' Association of Iceland and the Icelandic Travel Industry Association (SAF), with the Minister of Industry, Energy and Tourism appointing a chairman. The committee rules on cases between consumers and traders who are members of SAF (e.g. air lines, travel agencies, car rentals and restaurants). The Consumers' Association of Iceland houses the committee and the case-handling fee is 3.500 Icelandic Krona (ISK) (or approx. 21 EURO/currency value 14th of April 2011). All the rulings are available (in Icelandic) on the Consumers' Association of Iceland's website, www.ns.is, and the number of cases totalled 9 in 2010. This committee is especially important for the ECC, as foreign travellers can also forward disputes with SAF members to the committee.



The Complaints Committee of Housing

The Multi-Owner Buildings Complaint Committee, the Rent Tribunal and the Ruling Committee of Recreational Housing were recently combined into one committee, the Complaints Committee of Housing. The committee has three members, two of which are appointed by the Minister of Welfare and one by the Home Owner's Association. The committee is housed by the Ministry of Welfare and rules for instance on disputes between tenants and landlords. There is no case-handling fee.

Examples of cases from the Rent Tribunal (case no. 2/2010)

A family rented a home starting from November 1st 2009. Shortly thereafter family members began to notice insect bites and sought medical treatment for rashes and itching. Soon it was discovered that the culprit was bed bugs, which can be detrimental to health and also very difficult to exterminate. The family retracted contract and left the apartment before an extermination could be carried out. The landlord believed the contract-retraction was illegal and that the renters could just as well have transported the bed bugs to the apartment with their furnishing. The tribunal felt that it was not proven how the bed bugs had come to be in the apartment so it had to be assumed that they were there to begin with. The tribunal therefore ruled that the apartment had been inhabitable from the start and the landlord should refund both the rent and security deposit.



Banking and Securities Complaints Committee

The Committee operates according to an agreement between the government, the Consumers' Association of Iceland and financial services companies. It rules on all disputes with financial claims. The committee is housed by the Financial Supervisory Authority and the case-handling fee is 5.000 ISK. The caseload has increased rapidly lately but in 2009 the committee ruled on 66 cases.