

JAMS Policy on Consumer Arbitrations Pursuant to Pre-Dispute Clauses Minimum Standards of Procedural Fairness

Effective May 1, 2024



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Founded in 1979, JAMS is the largest private provider of alternative dispute resolution (ADR) services worldwide. With a roster of nearly 500 neutrals and 29 locations, JAMS successfully resolves and manages tens of thousands of business and legal disputes. JAMS offers customized in-person, virtual and hybrid resolution services locally and globally through a combination of industry-specific experience, first-class client service, the latest technology and highly trained and experienced mediators and arbitrators.

The JAMS Consumer Minimum Standards of Procedural Fairness have been updated, effective May 1, 2024. Standard No. 5 of the CMS now provides: “The consumer’s access to arbitration must not be precluded by the location of the arbitration.”



Visit jamsadr.com/consumer-minimum-standards or scan for additional arbitration resources.

JAMS will administer arbitrations pursuant to mandatory pre-dispute arbitration clauses between companies and consumers¹ only if the contract arbitration clause and specified applicable rules comply with the following minimum standards of fairness:

1. The arbitration agreement must be reciprocally binding on all parties such that (a) if a consumer is required to arbitrate their claims or all claims of a certain type, the company is so bound and (b) no party shall be precluded from seeking remedies in small claims court for disputes or claims within the scope of its jurisdiction.
2. The consumer must be given notice of the arbitration clause. Its existence, terms, conditions and implications must be clear.
3. Remedies that would otherwise be available to the consumer under applicable federal, state or local laws must remain available under the arbitration clause, unless the consumer retains the right to pursue the unavailable remedies in court.
4. The arbitrator(s) must be neutral, and the consumer must have a reasonable opportunity to participate in the process of choosing the arbitrator(s).
5. The consumer’s access to arbitration must not be precluded by the location of the arbitration.
6. The clause or procedures must not discourage the use of counsel.
7. With respect to the cost of the arbitration, when a consumer initiates arbitration against the company, the only fee required to be paid by the consumer is \$250, which is approximately equivalent to current court filing fees. All other costs must be borne by the company, including any remaining JAMS Filing Fee, Case Management Fee and

all professional fees for the arbitrator’s services. When the company is the claiming party initiating an arbitration against the consumer, the company will be required to pay all costs associated with the arbitration.

8. In California, the arbitration provision may not require the consumer to pay the fees and costs incurred by the opposing party if the consumer does not prevail.
9. The arbitration provision must allow for the discovery or exchange of non-privileged information relevant to the dispute.
10. An Arbitrator’s Award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.

1 These standards are applicable where a company systematically places an arbitration clause in its agreements with individual consumers and there is minimal, if any, negotiation between the parties as to the procedures or other terms of the arbitration clause. A consumer is defined as an individual who seeks or acquires any goods or services, primarily for personal, family or household purposes, including the credit transactions associated with such purchases, or personal banking transactions. These standards do not apply to the use of arbitration in resolving disputes arising from commercial transactions between a lender and commercial borrowers or a company and commercial customers; other financial services such as investment transactions or real estate transactions; or to matters involving underinsured motorists. Nor do they apply if the agreement to arbitrate was negotiated by the individual consumer and the company.

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