



Finance & Leasing  
Association



## **The FLA commercial mediation scheme**

We are the major representative body for the UK finance and leasing industry. In the asset-finance sector our members provide a wide range of facilities that account for almost all small-value leasing transactions, including photocopiers, vending machines and other types of business equipment. Our members also provide asset-finance and leasing facilities for plant, machinery, ships, oil rigs and other capital assets.

We have a code of practice for businesses that sets out the standards of good practice they need to follow when dealing with business customers. These customers include other corporate organisations, unincorporated organisations or businesses, local authorities and the NHS who want credit or leasing facilities to carry out a trade, profession, or public-service activity.

You can get a list of members and more copies of the code from us. If you would like a copy of this scheme in large print, in another language or on audio tape, please contact us at the address below.



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## The scheme

The scheme is for businesses who have passed their complaints to us for conciliation (the process of trying to reach agreement in a dispute) under the business code of practice, but where a resolution has not been achieved through conciliation. The scheme is run independently by the Chartered Institute of Arbitrators who will appoint a qualified mediator once they know that mediation is necessary. If you would like to use the FLA scheme, fill in the 'agreement to mediate' form at the end of this document.

# What is mediation?

Mediation is where both sides meet at a neutral place to try and find a solution to their dispute. Mediation can be used instead of other ways of resolving disputes, as it is designed to resolve disputes quickly and cost-effectively. If both sides are involved in mediation, they can still begin or continue with court proceedings. If the two sides cannot agree during mediation, this will not affect their rights to defend the complaint or take it further in the future. A mediator will decide where both sides can meet for mediation, which will take place over one working day for no more than six hours. The mediator's role is to help both sides reach a settlement. Legal representation is not necessary.

Mediation is ended in the following ways.

- 1** If an agreement has been reached during mediation, both sides will sign a mediation agreement that they must keep to.
- 2** If an agreement has not been reached, both sides are able to use other types of dispute resolution if they want. The mediator will produce a report to say that the mediation has ended without being resolved. The report then goes back to the Institute and the two sides involved.
- 3** Mediation can also be ended by one of the sides telling the other side and the Institute that they want to end the proceedings.

There is a fee for choosing mediation. This covers the cost of the mediation and is set in line with the amount in dispute. It also includes the mediator's fee and the Institute's administration fee. The fees are set out in seven bands depending on the amount in dispute (see the table of fees below). This does not cover the accommodation and refreshment costs of the two sides, as they will have to pay for these themselves.

## Registration fees (see below)

Amount in dispute	Fee
<b>Band 1</b> Up to £1,000	£125 plus VAT for each side (mediator £150 plus VAT, Institute £100 plus VAT)
<b>Band 2</b> £1,001 to £3,000	£162.50 plus VAT for each side (mediator £200 plus VAT, Institute £125 plus VAT)
<b>Band 3</b> £3,001 to £7,500	£225 plus VAT for each side (mediator £250 plus VAT, Institute £150 plus VAT)
<b>Band 4</b> £7,501 to £10,000	£275 plus VAT for each side (mediator £400 plus VAT, Institute £150 plus VAT)
<b>Band 5</b> £10,001 to £20,000	£375 plus VAT for each side (mediator £600 plus VAT, Institute £150 plus VAT)
<b>Band 6</b> £20,001 to £30,000	£450 plus VAT for each side (mediator £700 plus VAT, Institute £200 plus VAT)
<b>Band 7</b> £30,001 to £50,000	£500 plus VAT for each side (mediator £800 plus VAT, Institute £200 plus VAT)

The registration fees include a £50 charge you must pay to the Institute for arranging the venue for the mediation. If you and the other side arrange the venue yourselves, you should take £50 off the registration fee (unless band 1 or 2 applies).

# Rules

## **The Chartered Institute of Arbitrators Commercial Mediation scheme for the Finance & Leasing Association (First edition, November 2001)**

- 1** If you want to refer any dispute to mediation under these rules, you must send in your request to us (the Institute) on the 'Agreement to mediate' form, along with the relevant registration fee.
- 2** The registration fee forms the costs of the mediation, including our administration fee and the mediator's fee, and is a set figure based on the amount in dispute.
- 3** The registration fee does not cover the cost of accommodation and refreshments and the use of facilities. You and the other side involved in the dispute must pay for these yourselves.
- 4** Our President or Vice-president will appoint a suitable mediator and then let you know. Mediators are appointed from the panel agreed between us and the FLA. If you do not agree who we have chosen, you may refer the matter back to us so we can appoint somebody else.
- 5** We will contact you and fix a deadline for you and the other side to set out your positions and supply relevant documents to the mediator before the mediation.
- 6** We will decide on the venue for the mediation. You and the other side involved must pay the costs of this.
- 7** The mediation will take place over one working day for no more than six hours.
- 8** The role of the mediator is to carry out the proceedings independently and to help you reach a reasonable settlement.

- 9** Mediation under these rules is a confidential process, and each side to the mediation (including us and the mediator) must respect that confidentiality.
- 10** Mediation under these rules will be ended by:
  - a** a confidential agreement that both sides must sign and keep to;
  - b** the failure to reach an agreement; or
  - c** one or other of the two sides saying that they want to end the proceedings.
- 11** The mediator will send us:
  - a** the mediation agreement signed by each side;
  - b** a report that the mediation has ended without being resolved; or  
a report that either side has decided to end the proceedings;  
whichever applies.
- 12** The mediator cannot be appointed as arbitrator or a witness in the same dispute if the dispute then goes on to use other ways of resolving disputes, for example, arbitration or litigation.
- 13** As well as Rule 11, you cannot use evidence the other side used during the mediation proceedings if the dispute is taken further.

## **The Chartered Institute of Arbitrators Commercial mediation scheme for the Finance & Leasing Association**

# Agreement to mediate

**We**


**and**


**agree to mediation of the dispute between us by a mediator appointed by the President or Vice-president of the Chartered Institute of Arbitrators.**

## **The mediator**

Both sides to the dispute agree that the President or Vice-president will appoint a suitable mediator to resolve the dispute under the rules of the commercial mediation scheme for the Finance & Leasing Association. The two sides understand that the mediator is independent and, although the President or Vice-president of the Chartered Institute of Arbitrators appoints him or her, he or she does not act as a representative of the Chartered Institute of Arbitrators. The sides also understand that the mediator does not give legal advice and agree that they will not make any claim against the mediator in connection with this mediation.

## **Private sessions**

During the mediation, the mediator may speak to the sides separately to improve his or her understanding of each side's views. Information given to the mediator during private talks will be confidential unless the side involved allows the mediator to give information to the other side.



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## Confidentiality

Other than a final written agreement, any information (whether written in a document prepared for the mediation or written or spoken during the mediation) can only be used for the purpose of the mediation and cannot be referred to in any future dispute. The sides agree that they will not call the mediator to give evidence in any future dispute.

## Costs

Each side agrees to cover their own costs relating to the mediation unless otherwise agreed, and also to pay the relevant registration fee.

## Ending the mediation

The mediator, or any side involved in the mediation, may end the mediation at any time without giving a reason.

**Name**

**Address**

**Postcode**

**Signature x**

**Date**

**Name**

**Address**

**Postcode**

**Signature x**

**Date**