

DEFINITION OF CONSUMER ARBITRATION

The [California Rules of Court Ethics Standards for Neutral Arbitrators in Contractual Arbitrations \(“CRC Ethics Standards”\)](#) provide the following definitions for “consumer arbitration” and “consumer party.”

CRC Ethics Standard 2(d) states:

“Consumer arbitration” means an arbitration conducted under a predispute arbitration provision contained in a contract that meets the criteria listed in paragraphs (1) through (3) below. “Consumer arbitration” excludes arbitration proceedings conducted under or arising out of public or private sector labor relations laws, regulations, charter provisions, ordinances, statutes, or agreements.

1. The contract is with a consumer party, as defined in these standards;
2. The contract was drafted by or on behalf of the nonconsumer party; and
3. The consumer party was required to accept the arbitration provision in the contract.

CRC Ethics Standard 2(e) states:

“Consumer party” is a party to an arbitration agreement who, in the context of that arbitration agreement, is any of the following:

1. An individual who seeks or acquires, including by lease, any goods or services primarily for personal, family, or household purposes including, but not limited to, financial services, insurance, and other goods and services as defined in section 1761 of the Civil Code;
2. An individual who is an enrollee, a subscriber, or insured in a health-care service plan within the meaning of section 1345 of the Health and Safety Code or health-care insurance plan within the meaning of section 106 of the Insurance Code;
3. An individual with a medical malpractice claim that is subject to the arbitration agreement; or
4. An employee or an applicant for employment in a dispute arising out of or relating to the employee’s employment or the applicant’s prospective employment that is subject to the arbitration agreement.

Examples of case types that often meet the CRC Ethics Standards’ definition of “consumer arbitration” are: communications disputes; employment disputes; healthcare disputes; home construction and improvement disputes; disputes regarding personal banking, credit card, home loan, or financial services; vehicle purchase or lease disputes; and other disputes involving contracts for personal, family, or household goods or services.

Examples of case types that do not usually meet the CRC Ethics Standards’ definition of “consumer arbitration” are: business-to-business disputes; partnership or shareholder disputes; real estate transaction disputes; matters involving uninsured or underinsured motorists that are governed by the Insurance Code; and personal injury disputes.

JW is in no way offering legal advice by suggesting case types that often do or do not meet the CRC Ethics Standards’ definition of “consumer arbitration.” Rather, the parties should review all applicable legal standards in determining whether their matter qualifies as a “consumer arbitration.”