MEDIATION AS A CONSUMER DISPUTE RESOLUTION MECHANISM

By:

Hasmah Binti Nordin (2010658454) Siti Mardhiyyah Binti Zamani (2010624682)

Submitted in Partial Fulfillment of the Requirements for the Bachelor in Legal Studies (Hons)

Universiti Teknologi MARA Faculty of Law

December 2012

The students/authors confirm that the work submitted is their own and that appropriate credit has been given where references has been made to the work of others.

ACKNOWLEDGEMENT

It has not been an easy task to complete this project paper because we had to spend much time doing research. Now that the task has been completed, we wish to express our gratitude to several people who have helped us through this journey.

First and foremost, we would like to express our deepest thanks to Miss Norliza binti Abdul Hamid who is our supervisor. We would like to thank for her tremendous support and help in guiding us through the completion of this project paper.

We would also like to thank the lecturers of Faculty of Law UiTM for their cooperation in giving valuable information and suggestions in preparing and completing this project paper.

Last but not least, we would like to thank our families and friends who have endlessly given their encouragement and full support.

ABSTRACT

This is a study on mediation as a mechanism for settling consumer disputes. The main objective of the study is to identify the suitability of mediation as a mechanism to be implemented in Malaysia as a consumer redress mechanism. The study will start by discussing the main weaknesses of the court system and the Tribunal for Consumer Claims which lead to the use of alternative methods to resolve.

For the purpose of this project paper, focus will only be given to mediation. This study will look at the new Act, which is the Mediation Act 2012, and its provisions in settling consumer disputes. The benefits and suitability of applying mediation in Malaysia will also be examined. In doing this study, comparison will be made to other forms of Alternative Dispute Resolution. In addition this study will also provide an evaluation of the application of mediation in various countries in settling disputes as well as the impact of application of mediation to consumer disputes.

Lastly, the research will suggest ways to improve mediation as a method of settling consumer disputes in Malaysia.

TABLE OF CONTENTS

Acknowledgment	Ĥ
Abstract	tit
Contents	iv
List of Legislations	vi
List of Cases	vii

CHAPTER ONE: INTRODUCTION

1.1	Background	1
	1.1.1 The Tribunal for Consumer Claims	3
	1.1.2 The Courts in Malaysia	4
1.2	Problem Statement	5
1.3	Objectives	6
1.4	Literature Review	7
1.5	Significance of the Research	12
1.6	Scope and Limitations	13
1.7	Research Methodology	14

CHAPTER 2: DISPUTE SETTLEMENT MECHANISMS IN MALAYSIA

2.1	Court System	15
2.2	Tribunal for Consumer Claims	18
2.3	Conclusion	21

CHAPTER 3: MEDIATION IN MALAYSIA AND OTHER JURISDICTIONS

3.1	Introd	Introduction to ADR	
3.2	Media	tion	24
	3.2.1	Definition of Mediation	24
	3.2.2	Process and Procedures in Mediation	24
	3.2.3	Comparison between Mediation with other ADR methods	27
	3.2.4	Comparison between Mediation and the Court System	30
3.3	Media	tion in Malaysia	31
	3.3.1	Mediation Act 2012	31
	3.3.2	Mediation under the Kuala Lumpur Regional Centre of Arbitration	ı 33
	3.3.3	Court annexed Mediation	33
	3.3.4	Mediation under the Malaysian Bar Council	34
3.4	Media	tion in other jurisdictions	35

CHAPTER 4: SUITABILITY OF MEDIATION IN SETTLING CONSUMER DISPUTES

4.1	The Advantages of Mediation	42
4.2	The Disadvantages of Mediation	45
СНА	PTER 5: CONCLUSIONS AND RECOMMENDATIONS	
5.1	Dealing with the challenges	50
5.2	Meeting law enforcement	52
5.3	Recommendations	55
5.4	Conclusions	57
Bibli	ography	58