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# Shopping on the Internet

**Get informed**



*Tips for on-line consumers*

Office of Consumer Affairs

Canada

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## Get informed

### Tips for on-line consumers



**W**hether you're a novice or seasoned on-line shopper, there are some things that you likely take for granted at your local stores that concern you when shopping on-line. How do you know you're dealing with a reputable merchant? Do you have enough product information to make a decision to buy, especially when you can't touch or sample the product? How do you actually buy

something on the Internet and what do you do if something goes wrong? How can you ensure that your personal and financial information is private and secure? This booklet provides you with some tips so you can shop on-line with confidence!\* The last page features a tip sheet, which you can cut out and keep beside your computer while you shop.

\* These tips are based on *Principles of Consumer Protection for Electronic Commerce: A Canadian Framework*, which was developed by a working group of business, consumer and government representatives. Page 2 of this booklet contains information on how to obtain a copy of the principles.

## **Finding and dealing with a reputable merchant**

A reputable merchant will have put a great deal of time, money and energy into building a well-organized, safe and secure Web site, and will want you to know about it. It is in the merchant's best interest to attract confident, well-informed customers. Informing yourself will help make your Internet shopping experience enjoyable and hassle-free.

### **Know the merchant you're dealing with**

- ▶ Merchants should display their company name and address prominently on the Web site, along with detailed contact information. Look for a toll-free number or, at the very least, the merchant's regular phone and fax numbers and mailing address. Don't be afraid to call the company if you want more information. Reputable businesses will be happy to help you.

### **Look for detailed product information**

- ▶ You can't touch, try on or test anything when you buy on-line so you have to rely on the merchant's descriptions. Make an informed decision. Look for Web sites that offer plenty of detailed information on their products and services in plain, understandable language.

### **Read the contract's terms and conditions and print or save them**

- ▶ Merchants should provide you with the terms and conditions of the sale in plain language. This should include a simple description of the full price, delivery options, return policies, warranties and methods of transaction. Even though it may take some time, read through all of this information before you agree to buy a product or service.

### **Check for quality assurance certificates or seals**

- ▶ As commerce on the Internet grows, some organizations are beginning to offer approval ratings and certifications for on-line businesses. Approval programs range from, at minimum, verification that the business exists at its claimed address, to comprehensive auditing services. Check the organization's Web site to see what is guaranteed or what the approval certificate really means.

### **Verify the merchant has a fair and clear complaints-handling process**

- ▶ Problems with Internet purchases arise, just as they do with things you buy at your local store. A merchant's Web site should include an effective, but simple, process for handling complaints, concerns

and inquiries. If you get charged for something you didn't buy, the merchant should fix the problem without additional charges.

### **Ensure you're comfortable with the merchant's purchasing process and that you know how to cancel your order**

- ▶ Most merchant's Web sites allow you to complete an order form or fill a "shopping cart" with the items you are considering buying. Only after you complete and confirm your list and transaction arrangements should you finalize the sale by clicking on the "Send" button. Make sure the full price of the items, the terms and conditions, and methods of transaction are clearly set out, and that you print or save a copy of the transaction for your records.

### **Make sure the merchant has a secure transaction system to protect your financial information**

- ▶ You should make sure that the merchant has a security system in place before you send your credit card number or other financial information over the Internet. Merchants who use secure transaction systems will advertise the fact, give you plenty of information about their system and tell you who provides it. Most Internet browsers indicate

when you are using a secure Internet link. Contact the merchant's security service provider if you would like more information.

### **Review the merchant's policy for protecting personal information**

- ▶ Reputable companies will post a privacy policy on their Web site. Canadian companies should model their policy after CSA (Canadian Standards Association) International's privacy code, available by calling 1-800-463-6727 or visiting the CSA International Web site (<http://www.csa-international.org>). Many merchants use the information they collect about their customers for other purposes, such as developing marketing profiles or making money by selling their mailing lists. This is fine, as long as the merchant has your permission to use your information. Be aware that if you consent to allowing your name to be used by other organizations you may receive more marketing information or solicitations by E-mail or regular post.



## When to use more caution

### Remember, buying internationally involves more risk

▶ **Check that products meet Canadian safety standards**

Be aware when buying from abroad that the product may not meet Canadian safety standards. Ensuring the product's safety is up to you. You should be particularly concerned with the potential chemical, mechanical and electrical hazards and the flammability of products. Be especially careful when buying things such as health or children's products. Take the time to visit CSA International's Web site or the Health Canada Web site for product information (<http://www.hc-sc.gc.ca/ehp/ehd/psb/consumer.htm>).

▶ **Know how much money you're willing to risk**

Foreign retailers operate under different laws and in different court systems, and getting redress can be complicated and costly. Before purchasing a product from a foreign retailer consider how much money you are willing to risk if something goes wrong.

▶ **Check the guarantee and currency**

Check on the limits to guarantees on foreign products and in which currency the prices are quoted.

### Be on guard against mass market E-mail

▶ If you have an E-mail account, you have probably been "spammed" — receiving unasked-for commercial E-mail from a merchant. Merchants should only send you E-mail if you have authorized them to do so through a previous transaction or by requesting more information. If you receive "spam" E-mail, do not reply, even to ask to be removed from the sender's E-mail list. Just delete the message. By replying to the E-mail you indicate to the sender that he or she has reached a potential customer.

### Educate yourself and your children about controlling personal information

▶ You have the right to say who can and cannot use your personal information. Patronize companies that have a privacy policy posted on their site. Also, if your children surf the Internet, educate them about the importance of keeping personal information private.

## Watch out for scams

Because the Internet offers quick access to a large audience at low cost there is no shortage of people using it to make a fast buck at the expense of the unwary. Be especially aware of the following:

- ▶ any offer that sounds too good to be true
- ▶ any site that asks you to send personal or financial information before disclosing an offer
- ▶ promises of a valuable prize in return for a low-cost purchase

- ▶ any offer that includes pressure to send money to take advantage of a special deal
- ▶ any loan offer if you are required to send money as a condition of obtaining the loan
- ▶ investment schemes. Don't invest without carefully checking out the investment, product, service and investor.

### **Remember, Internet fraud is international. Check the following sites to stay up to date on the latest scams in Canada and the United States:**

- Competition Bureau, Industry Canada: <http://strategis.ic.gc.ca/competition>
- Ontario Provincial Police PhoneBusters: <http://www.phonebusters.com>
- RCMP Latest Scams: <http://www.rcmp-grc.gc.ca/html/scams.htm>
- Better Business Bureau (U.S. and Canada): <http://www.bbb.org/alerts/index.html>
- Federal Trade Commission (U.S.): <http://www.ftc.gov/bcp/menu-internet.htm>
- National Fraud Information Center (U.S.): <http://www.fraud.org>

**For more information on electronic commerce and consumer protection, visit the following sites:**

- Canadian Association of Internet Providers: <http://www.caip.ca>
- Canadian Bankers Association: <http://www.cba.ca>
- Canadian Marketing Association: <http://www.the-cma.org>
- Competition Bureau: <http://strategis.ic.gc.ca/competition>
- CSA International: <http://www.csa-international.org>
- Health Canada: <http://www.hc-sc.gc.ca/english/product.htm>

For information on a number of consumer issues, visit the Office of Consumer Affairs Web site (<http://strategis.ic.gc.ca/oca>).

The following organizations participated in the Working Group on Electronic Commerce and Consumers:

- Action réseau consommateur
- Alliance of Manufacturers & Exporters Canada
- Cable Television Standards Foundation
- Canadian Association of Internet Providers
- Canadian Bankers Association
- Canadian Marketing Association
- Competition Bureau, Industry Canada
- Consumers' Association of Canada
- CSA International
- Information Technology Association of Canada
- Ministry of Consumer and Commercial Relations, Government of Ontario
- Ministry of Government Services, Consumer Affairs Division, Government of Alberta
- Office de la protection du consommateur, gouvernement du Québec
- Office of Consumer Affairs, Industry Canada
- Option consommateurs
- Public Interest Advocacy Centre
- Retail Council of Canada



**Cut this tip sheet out and keep it by your computer as a quick reference.**



### **Internet shopping tips**

- ✓ Know the merchant you're dealing with.
- ✓ Look for detailed product information.
- ✓ Read the contract's terms and conditions and print or save them.
- ✓ Check for quality assurance certificates or seals.
- ✓ Verify the merchant has a fair and clear complaints-handling process.
- ✓ Ensure you're comfortable with the merchant's purchasing process and that you know how to cancel your order.
- ✓ Make sure the merchant has a secure transaction system to protect your financial information.
- ✓ Review the merchant's policy for protecting personal information.
- ✓ Remember, buying internationally involves more risk.
  - Check that products meet Canadian safety standards.
  - Know how much money you're willing to risk.
  - Check the guarantee and currency.
- ✓ Be on guard against mass market E-mail.
- ✓ Educate yourself and your children about controlling personal information.
- ✓ Watch out for scams.

For more information on electronic commerce, visit the Office of Consumer Affairs Web site (<http://strategis.ic.gc.ca/oca>).

