



E-Consumers' Guide

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PROTÉGEZ-VOUS

Le magazine des consommateurs québécois

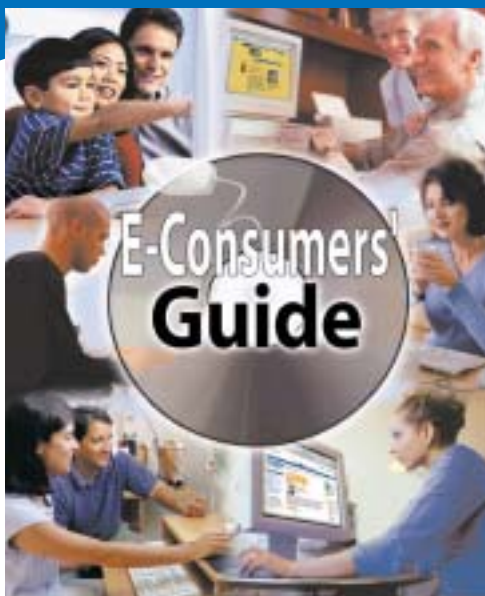
**Culture
et Communications**

Québec



With the participation of:

- Office de la protection du consommateur
- Ministère de la Justice



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EDITING

Project manager: Claude Rodrigue (MCC)

Research and editing: Jesse Caron (Protégez-Vous)

Translation: Mark McKenzie

PRODUCTION

Department Head: Richard Lévesque

Computer graphics: Sylvie Guay

Photographs: PhotoDisc, Réjean Poudrette

ADMINISTRATION

Director of Les Éditions

Protégez-Vous: David Clerk

Assistant to the Director: Marie-Ève Hébert

Computers and Web site:

Denis Mousseau

Administrative support: Anissa Zouggar

TECHNICAL SERVICES

Pre-printing and printing: Interweb

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HOW TO REACH US

For questions regarding the *Act to establish a legal framework for information technologies*, contact the MCC

☎ (418) 380-2300

🌐 www.autoroute.gouv.qc.ca

For questions about E-consumer protection, contact the OPC

☎ 1 888 OPC-ALLO (1 888 672-2556)

🌐 www.opc.gouv.qc.ca

MAGAZINE PROTÉGEZ-VOUS CUSTOMER SERVICE

Abonnement Québec

525, rue Louis-Pasteur
Boucherville (Québec)
J4B 8E7

☎ (514) 875-4444 (Montréal area)

1 800 667-4444 (throughout Québec)

📠 (514) 523-4444

🌐 www.pv.qc.ca

Editorial Staff, Magazine Protégez-Vous

Village olympique
5199, rue Sherbrooke Est
Bureau 3699
Montréal (Québec) H1T 3X2

📠 (514) 873-3429

📧 courrier@pv.qc.ca

🌐 www.pv.qc.ca



E-shopping made easy



There is nothing new about the concept of distance shopping: our grandparents bought shirts, kettles and screwdrivers by leafing through catalogues filled with enticing images. Once the telephone or mail order had been placed, all that was left to do was to eagerly await the package!

While this way to shop still has its advocates, its star has begun to fade to the advantage of e-commerce, which is in vogue. A day does not go by without Web surfers, both in Québec and elsewhere, being inundated with advertising from online merchants. A host of retailers are vying to win over cybernaut-consumers, from the neighborhood chocolate-maker to national department stores to clothing manufacturers abroad.

The Web is a fantastic platform for comparing what the various merchants have to offer and for discovering the product that suits you, without having to set foot in the various stores. But how do you know if the merchant is telling you everything about himself? Do you have to pay customs duties? What should you do

in the event that you receive a dented toaster? What personal information can the retailer ask for and what can he do with such information? Are credit card payments secure? How do Canadian and Québec laws protect you in the event of a dispute?

These are all questions that arise when it comes time to click the "Send" button. In this document, we propose a host of helpful tips that will make your online shopping experience easier to understand and more enjoyable.

Have fun shopping!

The positive and not-so-positive side...

Two years ago Protégez-Vous went Christmas shopping on the Web. The magazine team ordered 52 products from 46 Québec, Canadian, American and French online merchants (Protégez-Vous, December 2000).

The results? Acceptable despite a few pitfalls. Most sites offered a secure environment as well as adequate conditions of sale. Moreover, few used the e-mail address provided for unwarranted solicitation once the order had been filled.

For several merchants, it was at the time of delivery that things went amiss. Indeed, 6 of the 52 orders never made it to Protégez-Vous, and 2 others arrived damaged. To make matters worse, shipping charges increased the cost

threefold in some instances! And then there were the unexpected customs duties...

This ambiguous portrait is backed by a study involving 3,568 Québec sites published last June by the École des hautes études commerciales de Montréal and the Office de la protection du consommateur. The findings? A flagrant lack of information. Of the 262 sites offering online payments, more than half failed to indicate the shipping charges, whereas only one-third posted their policy concerning the protection of personal information. On the other hand, businesses are identifying themselves better on the Internet, but there is still room for improvement: of the 1,241 transaction-oriented sites examined, 72% illustrated their products and only 45% posted their prices!



Quebecers and the Internet

Has your colleague been boasting about the speed of his new laptop? Has your son been begging for a tool that will allow him to chat with his Swiss pen pal? Unable to hold off any longer, you take the plunge and purchase a computer, which you quickly connect to the Internet. In so doing, you are joining a host of other consumers who, like you, recently took the leap! Here is a portrait of wired Québec society.

- The latest data of the Institut de la statistique du Québec reveal that 45% of Québec households had a computer in the home in 2000. That is almost twice the number of households that had a computer five years earlier. Canada as a whole has embraced computers a little faster (55%), but Québec is well ahead of France (27%) and Italy (28%).

- According to Ekos, 56% of Québec families were connected to the Internet at home in June 2002, a 65% increase in comparison with June 1999. Quebecers are gradually catching up on Canadian households, 62% of which have access to the Internet. Families with children have largely contributed to this progress by taking advantage among other things of the «Brancher les familles sur Internet» program, which ran from May 2000 to March 2001.

- By combining all access sites, Statistics Canada evaluated that in 2001 54% of Quebecers 15 years of age and over used the Internet

regularly, a rate that climbs to 60% for Canada as a whole.

- According to the NeTendances 2002 survey, which involved 50,000 Quebecers and was conducted by the Centre francophone d'information des organisations (CEFRIO) and Léger Marketing, there are no less than 2.9 million Web surfers aged 18 and over in Québec. That is more than half of all adult Quebecers!

- What are the reasons for using the Web? According to the Institut de la statistique du Québec, e-mail and surfing the Net top the list, both in Québec and in Canada. While Canadians surf the Internet to obtain information and make online purchases, Quebecers prefer to use the Net for recreational purposes, be it for playing games and for taking part in discussion forums.

The share of online purchases

Based on statistics, Quebecers use the information highway more to chat and to have fun than to

obtain information. But how do they fit in when it comes to the growing trend of online purchases?

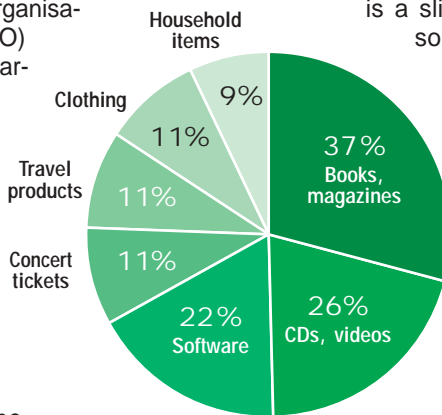
- According to Ekos, 27% of Québec Web surfers have already made a purchase on the Net. This is a slight increase in comparison with the data of September/October 2000,

but Québec is still well behind the Canadian average of 42%.

- According to Statistics Canada, online sales reached \$10.4 billion in Canada in 2001, namely \$3.2 billion more than in 2000; these figures include inter-business transactions and sales to consumers.

- While the latter sales rose by 59% during the same period, they only reached \$2.3 billion and represent approximately 0.2% of Canadian retail sales.

- Québec households that make purchases on the Web are fairly timid. Statistics Canada reports that in 2000 each household made five orders totaling \$615 (mainly books, software, records and movies). That is \$142 less than the Canadian total and \$358 less than in Alberta, where specific regulations governing e-commerce have been in force since 1998.



What products and services do Quebecers purchase online?

— Ekos, October/November 2001

Interview with Minister Diane Lemieux

Québec has adopted the Internet wholeheartedly!

Diane Lemieux is Minister of State for Culture and Communications and Minister responsible for the Information Superhighway. In this interview, she takes stock of the progress accomplished in the development of the information superhighway in Québec and talks to us about the positive effects of the *Act to establish a legal framework for information technologies*.

by Claude Rodrigue



Photo: Bruno Petrozza

Has the spread of the information superhighway in Québec progressed significantly in recent years?

The proportion of Québec households that have a computer in the home has doubled in seven years. From 1998 to 2001 the number of adult Web surfers increased twofold. Moreover, all schools and all adult education and vocational and technical training centres as well as most libraries are now wired. The progress is truly remarkable.

To what do you attribute this substantial progress?

I basically attribute it to three factors: the adoption in 1988 of *Québec's Information Superhighway Policy* which established the major orientations and served as a framework for the government's efforts; the action of the Fonds de l'autoroute de l'information which to date has invested over \$80 million in this sector of the new economy and has supported the creation of over 200 Québec Web sites in French; the investment of over \$300 million by the ministère de l'Éducation to connect schools and familiarize students with information technologies. To this must be added the dynamic nature of this rapidly developing industry and selective initiatives, such as the «Brancher les familles sur

Internet» program, which have allowed 217,000 Québec households to acquire a computer and another 300,000 individuals to get wired to the Internet.

The *Act to establish a legal framework for information technologies* came into force last November. Why the need for such a law?

Given the growing popularity of information highways and the multiplication of electronic transactions and databanks, the government wanted to provide a framework for the use of technological documents, to make electronic transactions secure, and to protect E-consumers and their private life. While the online purchases of Quebecers represent only a tiny fraction of personal spending, these purchases nevertheless increased fourfold in 2000.

Will this law change the way we use the information superhighway?

It will have major impacts for individuals and businesses, as it gives electronic documents a legal value. In the past, only printed and handwritten documents were valid from a legal standpoint. Clearly, this was anachronistic in the information era. It was necessary to adapt and move towards a society that makes the best possible use of

the possibilities afforded by new technologies. As it is easy to reproduce and modify electronic documents, it was a tall order to set guidelines for their authentication. With the enactment of the *Act to establish a legal framework for information technologies*, this task has been completed. In addition, this law stipulates certain obligations for online retailers, Internet service providers and certification service suppliers.

What developments are in store for the information superhighway?

Over the short term, we must take up the fiber optic challenge. When it comes to the information superhighway, speed is critical. And we want to put Québec in the fast lane by setting up a vast fiber optic network in all our regions. From Gaspé to Hull, from Montréal to Kuujuaq, schools, libraries, city halls and a large number of public institutions and establishments will be connected to this network. They will have access to ultra fast connections offering unparalleled capacities. Within two years' time we will have taken giant steps towards ensuring high-speed access. We will then have a new infrastructure that will make Québec a society living more than ever before in the information era and Quebecers a resolutely wired people. ◀



Identify your online merchant care

E-commerce allows you to compare, purchase and receive goods and services, without having to leave the comfort of your home. A few mouse clicks and you can order the latest wool sweater which, on a cold January morning, is sure to come in handy. It all seems rather easy at first glance... However, imagine if the retailer sends you a sweater that is green instead of dark blue and if one of the sleeves is torn! If you don't know the merchant's e-mail address, you may have difficulty returning the article...

What criteria should you check?

To avoid potential headaches, it's better to know something about the retailer you are doing business with. Check whether the online retailer introduces himself on his homepage or, at the very least, provides links that will allow you to learn a little more about him. What information should an online retailer ideally reveal about himself?

- His full business name, and not merely an abbreviation of his name (even it's a well-known name). This will enable you to contact the right business in the event of a problem!
- For each page of his site, an Internet address that corresponds to the name of the retailer (for example, www.store.com and not just a series of numbers). That way you will be sure that you are doing business with the same retailer throughout the transaction.

- His full address (not just a post office box number). This address could be very useful if the retailer does not return your telephone calls or e-mails. Bear in mind that the site of a business divided into franchises or branch offices will generally indicate the address and contact numbers of the head office.
- In addition to his e-mail address, the retailer should indicate the telephone and fax numbers of his customer serv-

Identity certificates

Individuals and businesses that engage in online transactions can also identify themselves using identity certificates. The Government of Québec will soon be offering the voluntary accreditation of certification service suppliers. The *Act to establish a legal framework for information technologies* describes:

- the mandatory content of certificates, which includes among other things the name of the certifier, the certificate's validity period and the name of the certified individual or business;
- the criteria that must be met by certifiers to obtain government accreditation (optional), in particular the existence of guarantees as to the security of the certificates provided;
- the elements of the policy statement that certification service suppliers must apply, such as limits on the use of a certificate and handling complaints.

This should help increase the value and credibility of certificates issued in Québec by accredited certification service suppliers.



Online safely

ice department. The more possibilities you have of reaching the retailer, the better your chances will be of negotiating with him should a problem arise.

- The retailer's policies regarding secure payments, returns and exchanges, warranties, delivery, protection of personal information as well as the handling of complaints. If one of these elements is missing, be extra vigilant when you place your order... (For more details see pages 8 and 9.)

Section 35 of the *Act to establish a legal framework for information technologies* has made it mandatory to post instructions regarding the rectification of incorrect orders and the returning of products (see page 9). Moreover, according to the *Act respecting the protection of personal information in the private sector*, those individuals and companies that collect confidential

information must inform consumers of the use that will be made of such information.

As for the rest, the elements listed above remain optional on Québec Web sites. The same is true for Canada. If only one of these elements is missing, it may simply be an oversight. Beware of sites that provide none of these details or that scatter or conceal them.

The whole truth...

Nothing obliges online retailers to provide information about themselves on their sites. In most cases, no authority will check if the merchants apply to the letter the policies that they post. As a result, it is up to you to be the judge of their good faith when they stipulate the terms of delivery, payment or warranty.

Of course, it is in the retailers' best interest to abide by the policies that they post. Otherwise, their reputation and, to a certain extent, the profitability of their business may suffer. Try to choose retailers who are upfront from the outset, regardless of whether they operate under a recognized banner or are independent.

You can check the identity of Québec retailers by consulting the *Registre des entreprises individuelles, des sociétés et des personnes morales* which the Inspector General of Financial Institutions updates regularly (see Useful Resources on page 16). Every company doing business in Québec must register in this databank; however, foreign retailers are rarely listed here. A similar register exists at the federal level, listing businesses

created under Canadian statutes (see Useful Resources on page 16). The presence of a merchant on one of these lists is no guarantee of their trustworthiness, but at least it indicates that they are legally registered.

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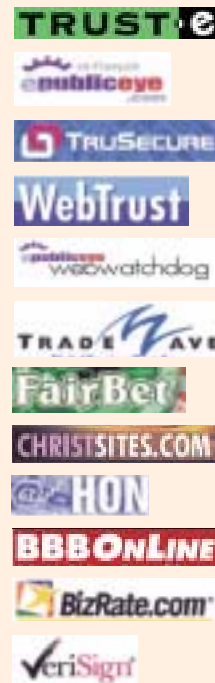
Are compliance seals credible?

A few strict rules govern the identification of online merchants, some retailers post independent compliance seals on their sites (Protégez-Vous, February 2002). Generally appearing on the home page, these labels attest among other things to the retailer's good practices regarding secure payments, the protection of personal information or data transmission.

Should these seals be considered a guarantee of trustworthiness and of secure transactions on the Web? According to research done by Louise Martel of the *École des hautes études commerciales de Montréal* and René St-Germain of *Université de Sherbrooke*, more than 170 seals are offered to companies doing business on the Net. While some seals emanate from reliable organizations, others come from companies that sell seals without bothering to do a background check on online retailers. Merchants must often pay a fee and comply with the code of practices of the certificate seller to be entitled to display the seal.

However, there's a snag. The various issuers of seals do not all apply the same standards. This is only to be expected given the fact that they come from the four corners of the globe and that the notion of consumer protection varies from country to country. In light of this situation, how can you be sure of the validity of the seal posted by your online merchant specializing in sports articles? Simply consult the policy and the guarantees offered by the supplier of the seal, which are often accessible by clicking on the posted seal.

It is worth noting that the *Service d'aide au consommateur (SAC) de Shawinigan* now offers a compliance seal to online merchants who agree to abide by a code of good practices. This is a first for a Québec-based consumers' association!



According to a study done by the *École des hautes études commerciales de Montréal*, only one-third of Québec-based sites accepting online payments indicate the terms and conditions governing warranties, cancellations and exchanges!

Know the product that interests you



Ever since your neighbour introduced you to a small, little-known Irish group, you have been looking for their latest album. However, it is hard to come by, not being offered in local record stores. You reach for your mouse and surf the Net in search of this album. As luck would have it, you quickly come across the record in two online stores, both seemingly reliable. Which online store should you do business with?

Examine the conditions of sale

While it is important for the retailer to identify himself properly, it is also in his best interest to provide information about the goods or services you are looking for as well as about the terms and conditions of sale. Check to see if the following elements accompany the products offered on line:

- **A detailed description.** When you shop in a traditional store, you can usually physically examine the item you are interested in and size it up from all angles. Moreover, a technical description accompanies the item or is printed on the box, allowing you to familiarize yourself with its features and advantages. You should have access to equivalent information on the Internet, whether such information appears in its original form or is reproduced by the merchant. In other

words, the name of the product or its illustration is not enough. This is especially true in the case of a service that is hard to illustrate, such as an airplane ticket.

- **Clear photographs.** While you may not be able to touch the article, you must at least be able to see it in its entirety. If you are shown a DVD player without its remote control and

without a view of its rear connection panel, you may experience frustration when it comes time to install the unit! Beware of photos that are blurred, too small or “provided for information purposes only”, as they may not give a fair representation of the product.

- **An indication that the product is in stock.** When you purchase an article in a traditional store, you know

10 questions you should ask yourself before ordering

- 1 Does the retailer post his full name, address and telephone number, and does his Internet address correspond to his real name on all of the pages?
- 2 Are the products and services adequately described and illustrated?
- 3 Does the merchant have the product in stock?
- 4 Does the retailer specify the shipping charges as well as all the other terms and conditions of delivery?
- 5 Do you have enough information to be able to calculate the total price of the article you want?
- 6 Is the product under warranty and if so, who is responsible for honouring the warranty?
- 7 Does the business indicate how to file a complaint?
- 8 Does the merchant allow you to correct or cancel your order within a reasonable time period?
- 9 Can you return an article if you are dissatisfied?
- 10 Is it possible to print a complete transaction summary?

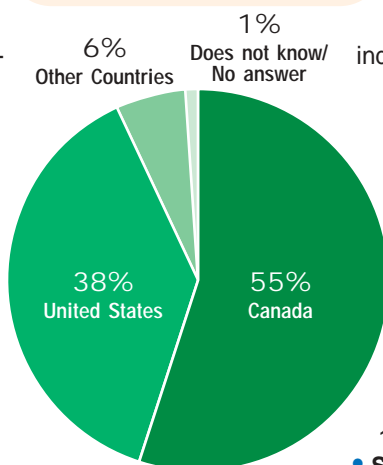


if the merchant is able to deliver it right away or if he has to order it. Make sure that the online merchant provides you with similar information before placing your order. Otherwise, you may be in for a long wait.

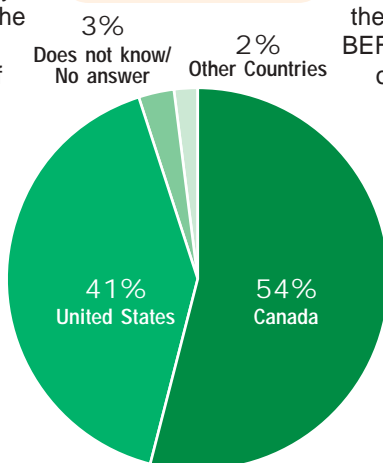
• **The price of the article.** Obviously, you would not buy a product without knowing how much it costs! That is why the merchant should ideally post not only the price, but also the currency used and all applicable taxes, which will vary according to the retailer's country of origin. Among highly respected online merchants, prices occasionally differ between the store and the Web site; in such cases, contact the company to find out if the difference is intentional. That way, you can calculate the actual cost of the product; if necessary, use one of the numerous currency conversion tools available on the Internet (see Useful Resources on page 16).

• **Customs duties.** If you do business with a foreign merchant, customs duties may apply. Check if the business mentions the possi-

What is the location of the supplier of the last online purchase made by Quebecers?



by Canadians?



bility of such duties, without necessarily indicating the amount; indeed, the latter varies according to the value, origin and nature of the product. Consult the Canada Customs and Revenue Agency for more information on this subject (see Useful Resources on page 16).

• **Shipping charges.** Make sure that the merchant clearly stipulates the shipping charges BEFORE you place your order. If no such information is provided, be very careful as these charges may occasionally double or even triple your bill!

• **Delivery times.** Most online merchants indicate delivery times according to various delivery

areas. In the absence of this information, contact the retailer to get an estimate of the anticipated delivery time. You should also be able to monitor the progress of product delivery and know the carrier's liability in the event of loss or damage.

• **Warranties.** As with traditional stores, the company should indicate if the product comes with a warranty and, if such is the case, the warranty period. In addition, it is preferable that the online merchant indicate who will honour the warranty: the merchant or the manufacturer. In either case, you should know the terms and conditions of the warranty and how to have the warranty honoured, before you make your purchase.

• **Policies concerning corrections to orders and returning products.** Section 35 of the *Act to establish a legal framework for information technologies* requires that Québec online merchants specify the terms and conditions for correcting orders and returning products. They must stipulate on the sales form how customers can notify the retailer of an incorrect order. Merchants are also required to inform their clientele of the means at their disposal to return or destroy a product that is unwanted or obtained by mistake. Businesses that are located outside Québec could be subject to Québec rules; consequently, they must have clear and precise policies for returning products.

Make sure that your payment is secure

While it took your daughter some time, she finally managed to convince you to purchase a new television set over the Internet. To your great surprise, you enjoyed examining the models offered and comparing the terms and conditions of sale proposed by retailers, without having to worry about finding or being pressured by a sales representative! Now that you have chosen the article that you want and the online store, it's time to get down to business: placing your online order. What characteristics should you check before clicking on "OK"?

Recognizing a serious site

Before submitting your order, you should have access to the following elements:

- **Your shopping cart.** Check whether the merchant displays on a single page the list of all the products that you have chosen. They should be accompanied with their price, the currency, the quantity you want, the total shipping charges and the amount of all applicable taxes. Only customs duties, where applicable, could increase the bill later.
- **Secure payment policy.** Ideally, the retailer should provide, before sending the data, a link to a page explaining the data transmission method employed by the site. The most commonly used method is known as Secure Socket Layer (SSL); this is a very powerful encryption protocol that makes data unreadable during transmission over the Net. Experts are

unanimous: a pirate would have to go to great lengths to decode information transferred with SSL. A secure page can be identified by the following two signs: the presence of a key and a lock at the bottom of the window of your browser, and the prefix "https://" at the start of the Internet address. At the very least, the final order form should be submitted by a secure transmission method.

- **Information storage method.**

Secure transmission by SSL is reliable; however, problems may occasionally arise when information is stored. That is why the online merchant should inform his clientele of the methods used to protect the data that he is entrusted with. How long does he keep such information and for what purposes? Who has access to this information? Are his servers protected against theft? Does he occasionally share this information with third parties? (See pages 12 and 13.)

- Where applicable, **the compliance seal** to which the retailer adheres. You should be able to check its validity by clicking on the seal. For greater security, you should consult the certification policy of the organization that issued the seal (see page 7).

- **An exhaustive transaction sheet** grouping not only the details of your purchase but also the personal information that you will be transmitting in a few moments. Of course, a button should allow you to

77% of Quebecers interviewed by Ekos in 2001 used a credit card to pay for their last online purchase.

change or cancel your order at any time.

- **An acknowledgment of receipt.** You should receive an e-mail as soon as the merchant's server has received your order. Ideally, this message should sum up your purchase and indicate how to contact the online merchant in the event of an

128 bits are a must!

To transmit data securely, your browser should have an encryption power of at least 128 bits. If this is not the case, you will even be denied access to some sites!

You can check the encryption power by choosing the "About..." command located in the "?" (Microsoft Windows) or "Apple" (Mac OS) menus of Microsoft Internet Explorer and in the "Help" menu of Netscape and Mozilla (regardless of the operating system).



error or an omission. A reminder of the terms and conditions of delivery should also be provided, but the message should not contain any personal information, given the ease with which the e-mail can be intercepted.

Is it safe to use credit cards?

Online payments represent one of the main impediments to the adoption of e-commerce in North America. According to Ekos, 41% of Quebecers avoid online purchases because they consider the Internet to be unsafe or because they do not want to give out their credit card number.

However, the situation is less risky than it appears. First, if the online merchant uses an SSL type encryption protocol, there is little chance of a problem occurring during data transmission: the astronomical number of encryption possibilities discourages would-be thieves from intercepting data that are being transferred. The transmission of credit card numbers over the Internet appears to be safer than over the telephone, as nothing prevents the person on the other end of the line from jotting down the information without your knowledge. Thefts involving credit card numbers are more likely to occur once the information is stored on the retailer's premises.

Most banks that issue credit cards apply an in-house policy of compensating fraud victims. A customer who finds an unauthorized purchase on his credit card statement or who receives an article that is broken or that does not fit

the order must notify his financial institution immediately. After a brief investigation, the institution will cancel the charge that should not have been billed. It will be up to the issuing bank to obtain reimbursement or, where applicable, to assume the loss. Known as reverse billing, this concept is already provided for under the law in Alberta and Manitoba; Québec is about to introduce this measure as part of the revision of the *Consumer Protection Act (CPA)*.

Moreover, the CPA already limits to \$50 the liability of cardholders in the event of the loss or theft of their credit card (or credit card number). In other words, if an individual or an

organization uses your card number on the Net without your consent, the bank that issued your card may only require that you pay a maximum amount of \$50.

If you are still wary about paying your bill over the Internet, nothing prevents you from paying in a more traditional manner: several online retailers continue to allow telephone orders, the sending of cheques by mail and, of course, C.O.D. payments.

Moreover, a few businesses have developed other electronic payment solutions, such as the smart card and single-use credit cards; however, these technologies are still marginal.

▶▶▶ Contracts having equal value

An electronic contract may have the same value as a contract on paper: this is one of the effects of the *Act to establish a legal framework for information technologies (ALFIT)*. However, the Act sets a few conditions. First, the two documents must contain exactly the same information. The content may be presented or arranged differently on the electronic contract, but no information must be missing or added in relation to the paper version (if there is such a version, which is not mandatory).

In order to be valid, the electronic contract must also provide the certainty that it has not been modified. If the contract must be modified, the ALFIT stipulates the conditions that will apply. This measure prevents an unscrupulous employee from modifying, depending on the circumstances of the moment, a contract at the expense of customers.

In addition, the *Civil Code of Québec* defines a signature as being a distinctive mark which a person regularly uses to signify his intention; the Civil Code does not require that this signature be handwritten, but it must be affixed to the document in a durable manner. The provisions of the ALFIT pave the way for the use of personalized electronic processes to sign contracts and other documents.

Finally, the ALFIT prevents anyone from requiring the use of an electronic document; as a result, you can still ask for a paper document if it suits you better. Moreover, the *Consumer Protection Act* still requires, for the time being, a paper support for certain contracts that are more delicate, such as those that seal the purchase of an automobile and those entered into with itinerant merchants.



Protect your personal information

After a few hours surfing the Net, you finally come across the English-style table that will complement your new living room decor. All excited, you rush to fill out the various forms prepared by the merchant, without bothering to pay close attention to their content. But when the transaction summary finally appears on the screen, you are assailed by doubt: does the retailer really need to know your social insurance number to sell you a table?

1 What information should you provide?

In Québec two laws administered by the Commission d'accès à l'information provide a framework for the collection, conservation, communication and destruction of personal information by third parties: the *Act respecting access to documents held by public bodies and the protection of private information* and the *Act respecting the protection of personal information in the private sector* (see Useful Resources on page 16).

Their basic premise: businesses must only collect personal information that is indispensable for the file in question. Moreover, before collecting personal information, the retailer must obtain your explicit consent and explain what he plans to do with the

information. Given the multitude of situations that may require providing such information, the Act does not stipulate the nature of the details that should be revealed. However, it is obvious that a merchant does not need your date of birth or social insurance number to sell you a book! A word of advice: stick to the minimum when you do business with an online retailer. Name, address, telephone number, e-mail address and credit card number should normally suffice. Even if the merchant provides space for additional information, keep such information to yourself; this should not adversely affect your purchase.

2 What happens to the information provided?

Once the merchant is in possession of the information that identifies you, he cannot do whatever he pleases with it. He is required to protect the confidential nature of the information by storing it on a secure server. Moreover, he must limit access to such information to those persons who need it to continue the transaction. For example, it is only natural that an online record store will transmit your name and address to the deliverer. However, the store's accountant should not need your

Limited access

The Government of Québec has taken steps to reduce the risks of online impersonation. The *Act to establish a legal framework for information technologies* requires that the persons in charge of access to personal information protect its confidential nature. Moreover, the online merchant is obliged to require from his Web site hoster, where applicable, that he take appropriate steps to limit access to confidential documents to only those persons who are duly authorized.

This is a considerable step forward... however, it does not apply to foreign retailers. Remain vigilant when you make purchases outside Québec's virtual borders: be sure to only do business with merchants who post an adequate personal information protection policy.



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e-mail address to prepare the company's balance sheet! As it is hard to verify the merchant's attitude in this regard, you will have to trust him on this point. Do business with a company that announces straight out its personal information protection policy: it is in the company's best interest to abide by this policy.

Such a policy should also inform you of your right to have free access to the records concerning you. Once again, the law requires that Québec businesses respect this right; moreover, at your request, they are required to correct any inaccurate information. How can you be sure that the correction is made? It's simple: the merchant must notify you of the change in writing; a letter or an e-mail will suffice.

Popular beliefs notwithstanding, businesses have the right to convey personal information to third parties. However, they cannot convey just any personal information! Only the names, addresses and telephone numbers may be conveyed, and solely for commercial or philanthropic purposes. Moreover, merchants are required to notify you of this possibility and to allow

you to refuse outright. You can have your name, telephone number and address removed from existing lists at any time, by writing to the person in charge of access to personal information.

Be wary: several sites are programmed to automatically allow the transmission of data to outside organizations; it is up to you to check off or leave blank a box to prevent this eventuality. This approach, known as opting out, may seem insidious, but it is legal.

3 What recourses do you have in the event that a merchant violates your rights?

While some countries have consumer protection laws and international rules of law apply, you may have to rely on the good faith of foreign merchants. That is why it is in your interest to choose recognized merchants who are upfront from the outset about the protection of personal information. If the business is transparent, it likely deserves your trust.

Have you found a problem in the way in which a Québec retailer manages your personal information? Your recourses then involve calling on the services of the Commission d'accès à l'information. For instance, if a business refuses to give you access to your file, you can lodge a complaint with the Commission. This organization will first seek to arrive at an amicable agreement by organizing a conciliation session between you and the retailer. If the merchant remains adamant, the case will then be heard by a commissioner who will make a decision that has the force of law.

The retailer at fault will have to comply with this decision promptly, failing which he may face penalties.

Thus far, no dispute specifically related to e-commerce has come before the Commission d'accès à l'information. However, the organization considers that among the other

cases, very few require the imposing of formal penalties. Most businesses comply with the decisions readily, confirming that the Commission's role is more educational than coercive.

When you do business with an online merchant, your name, address, telephone number, e-mail address and credit card number should suffice.

▶▶▶ Be cookie-conscious!

It is a recognized and inevitable fact: surfing the Net leaves a trail practically everywhere you go. You probably have already heard of "cookies". Several Web sites, including most of those of online merchants, use cookies to facilitate navigation, but also to find out about your browsing habits and occasionally to obtain confidential information concerning you.

The way that cookies work is simple: the Web site downloads a file on to your hard disk. This file then records, for example, the number of pages that you visit and the name of your Internet service provider. When you return to the site a few days later, the site detects the cookie on your hard disk and "recognizes" your computer. This may not necessarily be enough to identify you; however, if the site has other information on you, a link could be created between this information and the details gathered by cookies.

To avoid this possibility, take the time to delete the cookies each time you end an Internet session. This operation, offered in the "Internet Options" or "Preferences" menus of your browser, takes a few seconds and helps protect your private life. This is particularly important if you are sharing a computer at the office or the library, for example.

While you are at it, be sure to empty the cache memory of your browser after you exchange confidential information. If your browser does not permit this operation, simply quit your browser and launch the program again. Avoid utility programs that save passwords or fill out forms for you. While these programs are practical, they facilitate your identification by pirates.

Businesses that use cookies should mention this fact in their personal information protection policy, and indicate what they do with the information collected. This is another indication of their transparency!



Your rights as an E-consumer

You have always been “in the know” when it comes to technology: you are already “sold” on the benefits of online shopping. You are familiar with personal information protection policies, payment security protocols and the obligations that online merchants have. Despite all your precautions, problems may still arise; here is some information that will help you deal with them.

In Québec

It is when you do business with a Québec online merchant that the recourses available to you are most numerous. First, since November 1, 2001, the *Act to establish a legal framework for information technologies* (ALFIT) has stipulated how to use these technologies in a manner that is safe and compatible with Québec law. This Act indicates

that electronic documents can play the same role as paper documents, provided that they contain the same information and that they comply with the same rules of law. For example, a document produced using a word-processing program would likely be equivalent to a handwritten document.

The ALFIT also draws a clear line between the obligations of authors of content (for example, online merchants) and those of the intermediaries involved (such as Internet service providers and Web site hosts); that way, you will know who to

hold responsible in the event of a dispute.

Another role of the ALFIT: oversee the issue of certificates by Québec organizations. The certificates are used to confirm the identity of an individual or a company. If the certificate is issued by an accredited business (an optional measure), you can assume that it meets the requirements of the Act and that it is trustworthy. Moreover, the

new Act supports the protection of private life, a value that is firmly established in Québec, in addition to requiring that merchants post the

Taking legal action against an online merchant is never easy, but it is with Québec firms that your recourses will be most effective.



administers both these Acts, which set strict standards for the protection of personal information (see “Protect your personal information” on page 12).

In Canada

If you do business with companies that are based elsewhere in Canada, be more careful. Indeed, these merchants are subject first and foremost to the rules of their province, as is the case in Québec. Nothing prevents you from taking legal action against these companies in the event of a dispute, but it could be more costly to assert your point of view outside Québec's borders. This having been said, if the retailer you wish to do business with identifies himself correctly and posts clear terms and conditions of sale, the transaction should proceed smoothly.

Some businesses that are present all across Canada are subject to federal laws; this is particularly true for chartered banks, telecommunications companies and airline companies. The *Competition Act* (see Useful Resources on page 16) applies to all such companies; other more specific rules, such as the *Bank Act*, govern activities in each field.

Moreover, since January 2001 the *Office of the Privacy Commissioner of Canada* has administered the *Personal Information Protection and Electronic Documents Act* (See Useful Resources on page 16). This Act, which is similar to Québec regulations in this field, only concerns companies having a federal charter (for example, banks, telephone companies and cable-distribution companies) for the time being. Beginning in January 2004, it will also apply to all commercial businesses located in Canada. Even those businesses under provincial jurisdiction, such as retail stores, will be subject to this legislation; the protection of personal information is sure to be enhanced when interprovincial online purchases take place.

Abroad

Your recourses are much less obvious when you purchase products or

The notion of consumer protection differs greatly around the world; this makes cross-border purchases inherently more risky.

services from foreign online merchants, including those of the United States. The notion of consumer protection differs greatly depending on where you are in the world; this makes cross-border purchases

inherently more risky. If you shop outside our virtual geographical borders, the golden rule is trust. You practically have to give the merchant your blessing, especially when it comes to the protection of personal information; obviously, it is very hard to check what happens to such information after the transaction has been completed, and no Québec organization is able to offer you much help in this regard.

Furthermore, nothing says what state your order will be in when you receive it or if the order will actually make it to your door. Once again, you will have to trust the merchant. However, if you never receive your Italian pyjamas, you can always ask your credit card company to reimburse you for the amount; if the credit card issuer applies reverse billing (see “Make sure that your payment is secure”, page 10), you likely will come out unscathed.

Bear in mind that legal action against a foreign retailer is likely to be complex. Even if Québec law is on your side, nothing says that the laws of the other country involved will permit execution of the judgment, despite the existence of rules of international private law. Another important consideration is the expenses that such proceedings might entail. To avoid potential hassles, try to limit expensive transactions with foreign merchants.

Incidentally, the concern about protecting E-consumers is not limited to just Québec and Canada. Whether it is in the United States, Europe or at the international level, groups are forming to enhance the security and efficiency of e-commerce. For example, the Organisation for Economic Co-operation and Development (OECD) has published clear guidelines (See Useful Resources on page 16), which have served as an inspiration for the codes of conduct implemented by several countries (including Canada).

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means offered to consumers to correct their orders and to return products received by mistake.

You are also protected by the *Consumer Protection Act* (see Useful Resources on page 16), provided that you choose a Québec-based merchant. For the time being, the rules that apply to online retailers are the same as those for remote merchants. Since May 2002 you have been able to check if the merchant is registered with the Office de la protection du consommateur by consulting the Profil du commerçant on the Net (see Useful Resources on page 16).

In addition, Québec online merchants are subject to the *Act respecting access to documents held by public bodies and the protection of personal information*, as well as to the *Act respecting the protection of personal information in the private sector*. The Commission d'accès à l'information

Useful resources

Do you want to find out more about the laws presented in this guide? Are you looking for additional tips to ensure that you do not end up regretting your online transactions? Consult one of the following resources, listed according to how they relate to the sections of this guide.

Quebecers and the Internet

Centre francophone d'informatisation des organisations

- ▶ www.cefrio.qc.ca/english/indexAccueil.cfm

Institut de la statistique du Québec (use of ICT)

- ▶ diff1.stat.gouv.qc.ca/savoir/english/indicateurs/tic/menages

Statistics Canada (Series on connectivity)

- ▶ www.statcan.ca/english/IPS/Data/56F0004MIE.htm

Identify the online merchant carefully

Accréditation "Inter-Nette" (a compliance seal offered by the Service d'aide au consommateur de Shawinigan, in French)

- ▶ www.service-aide-consommateur.qc.ca/frameain.html

Registre des entreprises individuelles, des sociétés et des personnes morales (Inspector General of Financial Institutions, Québec, in French)

- ▶ ssl1.igif.gouv.qc.ca/index_recherche_consultation.htm

Company Directories (Industry Canada)

- ▶ strategis.ic.gc.ca/sc_coifn/engdoc/homepage.html

Répertoire des sceaux de conformité des sites Internet (in French)

- ▶ www.sceauxdecertification.org

Know the product you are interested in

Canada Customs and Revenue Agency (Customs duties)

- ▶ www.ccr-a-adrc.gc.ca/menu-e.html

Currency conversion (exchange rates)

- ▶ www.bankofcanada.ca/en/exchform.htm

Make sure that your payment is secure

Canadian Bankers Association

- ▶ www.cba.ca/eng/Consumer_Kiosk/kiosk_ecomm.htm

Protect your personal information

Office of the Privacy Commissioner of Canada

- ▶ www.privcom.gc.ca/fs-fi/02_05_d_13_e.asp

Commission d'accès à l'information (sheets and brochures on line)

- ▶ www.cai.gouv.qc.ca/eng/biblio_en/bib_pub_en.htm

The Act respecting access to documents held by public bodies and the protection of personal information and the Act respecting the Protection of Personal Information in the Private Sector (Québec)

- ▶ www.cai.gouv.qc.ca/eng/biblio_en/bib_loi_en.htm

The Personal Information Protection and Electronic Documents Act (Canada)

- ▶ www.privcom.gc.ca/legislation/02_06_01_e.asp

Your rights as an E-consumer

Econsumer.gov (complaints, international e-commerce)

- ▶ www.econsumer.gov/english/index.html

Act to establish a legal framework for information technologies (annotated Act, Québec, in French)

- ▶ www.autoroute.gouv.qc.ca/loi_en_ligne/index.html

Competition Act (Canada)

- ▶ laws.justice.gc.ca/en/C-34/index.html

Consumer Protection Act (Québec, in French)

- ▶ www.opc.gouv.qc.ca/Legislation/default.htm

Ministère de la Justice du Québec (Act to establish a legal framework for information technologies, in French)

- ▶ www.justice.gouv.qc.ca/francais/ministere/dossiers/loi-techno/loi-techno.htm

Organisation for Economic Co-operation and Development (click on the "Electronic Commerce" link)

- ▶ www.oecd.org

Consumer Protection for Electronic Commerce — A Canadian Framework Prepared By the Working Group on Electronic Commerce and Consumers

- ▶ www.strategis.ic.gc.ca/SSG/ca01182.html

Office de la protection du consommateur (e-commerce, Profil du commerçant, Ekos surveys and HEC study, in French)

- ▶ www.opc.gouv.qc.ca

Information and general advice

Autoroute de l'information (Québec, in French)

- ▶ www.autoroute.gouv.qc.ca

Consumers International (International)

- ▶ www.consumersinternational.org

Consumer Sentinel (United States)

- ▶ www.consumer.gov/sentinel

Consumer WebWatch (United States)

- ▶ www.consumerwebwatch.org

Federal Trade Commission (United States)

- ▶ www.ftc.gov/bcp/menu-internet.htm

Le commerce électronique et vous (France, in French)

- ▶ www.minefi.gouv.fr/cybercommerce

Le Cyberconsommateur averti (advice compiled by consumer associations of Québec and France, in French)

- ▶ www.consommateur.qc.ca/cyber

Task Force on Electronic Commerce in Canada

- ▶ e-com.ic.gc.ca/english/index.html

United Nations Commission on International Trade Law

- ▶ www.uncitral.org/en-index.htm

Internet Fraud Complaint Center (United States)

- ▶ www.ifccfbi.gov

Shopping Online (Industry Canada)

- ▶ www.strategis.ic.gc.ca/SSG/ca01192e.html

National Fraud Information Center (United States)

- ▶ www.fraud.org

Magazine Protégez-Vous

- ▶ www.pv.qc.ca

Canadian Consumer Information Gateway

- ▶ www.consumerinformation.ca