



The European Online Marketplace

Consumer complaints 2010-2011



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This publication is available on the websites of the ECCs.
(Further information can be found in Annex VI)

Design

Malin Nergård, Swedish Consumer Agency

Linnea Karlsson, European Consumer Centre Sweden



Table of Contents

Foreword	6
Executive Summary	7
Abbreviations	9
1. Introduction	10
2. Scope	11
3. General results	12
3.1 Information requests and simple complaints	12
3.2 Normal complaints and disputes	14
3.2.1 <i>Normal complaints and disputes: sectors other than transport, hotels and restaurants</i>	16
3.2.2 <i>Case study "Online Tickets"</i>	20
3.2.3 <i>Case study "Games of chance"</i>	21
3.3 Country of trader	22
4. Main problem areas	24
4.1 Cooling off period and return costs	24
4.2 Discrimination based on country of residence	28
4.3 Problems with product or service	29
4.4 Delivery	32
4.5 Unsolicited goods and inertia selling	33
4.6 Display of prices	34
4.6.1 <i>Non/incorrect display of prices</i>	35
4.6.2 <i>Corrected mistakes in price display</i>	36
4.6.3 <i>Hidden costs</i>	37
4.6.4 <i>Currency exchange-related problems</i>	37
4.7 Methods of payment	38
4.7.1 <i>Secure payments</i>	40
4.7.2 <i>Chargeback</i>	41
4.7.3 <i>M-commerce</i>	42
4.8 Minors	43
4.9 Bankrupt companies	44
4.10 Privacy	46
5. Fraud	49
5.1 Buying and selling of second hand cars	49
5.2 Fake web traders and counterfeit products	50
5.3 Animal rescue	51
5.4 Fraudulent escrow companies	52
5.5 Prevention of fraud through cooperation with the police	53
Afterword	54
Annex I Checklist for consumers	55
Annex II Checklist for traders	56
Annex III List of institutions responsible for registration	57
Annex IV Definitions	59
Annex V Questionnaire: E-commerce Report 2012	60
Annex VI Contact details ECC-Net	65

Foreword

The European Online Marketplace is a report prepared by the European Consumer Centres Network (ECC-Net). Established in the 27 EU Member States, Norway and Iceland, the centres are co-funded by the European Commission and a national consumer authority or NGO. They inform and assist consumers regarding their cross border purchases.

The European Consumer Centre in the Netherlands has led this project in close cooperation with the Centres in Lithuania, Ireland and Sweden, who formed the working group for this project.

ECC the Netherlands
e-mail: info@eccnl.eu

ECC Lithuania
e-mail: info@ecc.lt

ECC Ireland
e-mail: info@eccireland.ie

ECC Sweden
e-mail: info@konsumenteuropa.se

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The views and interpretations reflected in this report are not those of the European Commission or the national funding bodies. They are solely those of the working group based on conclusions in the reports referred to and on the data results and questionnaire answers submitted to the working group by all project participants.

Executive Summary

The European Online Marketplace: Consumer complaints 2010-2011 is a report compiled by the European Consumer Centres Network (ECC-Net). It examined all the issues reported to the Centres by consumers who shopped cross border online over these two years.

Payment security, non delivery, lack of dispute resolution mechanisms and fraud are still the main obstacles preventing consumers and businesses from engaging more in e-commerce, especially cross border. These causes of concern are however progressively receding, thanks to the combined impact of better legislation, more adapted technological tools to secure payments, more diligent internet traders and more vigilant consumers. Over 2010-2011, the experience of ECC-Net is that confidence in e-commerce is thus slowly improving.

However, the number of complaints is still high and new threats are emerging. For example, in the area of personalised services such as dating sites or car evaluation, where the right of withdrawal is very limited, price transparency is an issue. Online gaming is one of the fastest growing sectors, but more and more minors are being trapped into spending large sums of money via their mobile phones.

ECC-Net, therefore, considers it necessary to continue to raise awareness on traders' obligations and consumer rights both for traders and consumers. This is one of the objectives of this report. After a rapid statistical analysis, the most common difficulties are studied in detail with concrete and real examples and checklists are provided for traders and for consumers.

Main results

In 2010-2011, ECC-Net received, on average, approximately 31,000 complaints per year. Of these, 56% concerned online purchases (all goods and services), an increase of more than 5% compared with 2008-2009 and concomitant with the progressive development of online cross border trade.

Delivery problems and problems with the product/service still constitute the main area for complaints (42% on average in 2010-2011), with non-delivery being by far the major issue followed by defective products and non-conformity with contract.

German, British, French, Luxembourgish, and Dutch web traders account for almost three-quarters of the overall number of e-commerce related complaints. This reflects the greater volume of cross-border trade by operators located in these countries.

Thanks to ECC-Net about half of the complaints could be resolved in an amicable manner with the traders. However, consumers who decided to sue the trader still faced many practical barriers in obtaining redress such as the translation of official documents, being redirected by inadequately informed judicial entities, and enforcing a judicial judgment in another EU country.

In this respect, ECC-Net welcomes the endeavour of the European Commission to make the European Small Claims Procedure for cross-border disputes below €2,000 better known and used. It also calls for the rapid further development of efficient Alternative Dispute Resolution bodies and online platforms (such as the ADR/ODR proposal of the Commission). These should

ideally become available to all consumers with a cross border trade issue. Co-operation with other networks and enforcement bodies, especially the Consumer Protection Cooperation network of enforcement authorities, is also vital if cross-border enforcement is to become a reality.

Message to Consumers

Consumers should not be confused by or hesitant about cross-border shopping. E-commerce is the way to shop in the future. Consumers should be prepared to explore the possibilities and gain the advantages of cross-border shopping. They should be confident that they can find information and assistance that is easy to use when shopping in the Internal Market, for instance checklists (Annex I) and price comparison sites. With some caution and common sense, the main issues and traps that are presented in detail in this report can be found and avoided.



Abbreviations

Country abbreviations¹

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	The Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
ES	Spain
FI	Finland
FR	France
GR	Greece
HU	Hungary
IE	Ireland
IS	Iceland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	The Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	The United Kingdom

Currency abbreviations²

EUR	Euro
GBP	Pound Sterling
LTL	Lithuanian Litas
NOK	Norwegian Krone
PLN	Polish Zloty
SEK	Swedish Krona
USD	US Dollar

¹ According to the ISO 3166 standard: Codes for the representation of names of countries and their subdivisions, available at http://www.iso.org/iso/iso_catalogue.htm

² According to the ISO 4217 standard: Currency and funds code list, available at http://www.currency-iso.org/dl_iso_table_a1.xls

1. Introduction

The European Consumer Centre Network (ECC-Net) is made up of centres in 29 countries (27 EU Member States, Norway and Iceland). It is co-financed by the Health and Consumers Directorate-General of the European Commission (DG SANCO) and by each of the participating states. The aim of the network is to increase consumer confidence in the European internal market by providing consumers with information on their rights under European consumer legislation, and by giving advice and assistance in the resolution of their individual cross-border complaints. As ECC-Net deals with a large number of cross-border consumer complaints, it is in a unique position to document their problems when shopping within the EU.

All the statistical data, statements and conclusions contained in the report are based on real data gathered by the local ECC offices and registered in ECC-Net database. The E-commerce Report intends to provide a clear understanding of the main cross-border issues on this market, stimulate discussion and suggest further improvements.

The internet is proving to be a powerful platform for consumers and traders, allowing access to an enormous marketplace without geograph-

ical restrictions and helping to boost competition. While cross-border online trade offers choice, convenience and value, the potential benefit to consumers remains largely untapped as only 3,4% of all products and services are sold via the internet in Europe³ and this is mostly purely domestic. In 2011, only 10% of those who made online purchases did so from a seller based in another EU member state.⁴

According to Eurostat data, the main factors inhibiting the buying and selling of goods online are concerns with the security of payments (11%), privacy (10%), receiving or returning goods and getting redress (9%), access to payment card (4%), delivery (3%), difficulty in finding relevant information on the website (3%), and other reasons (3%).⁵

In October 2011, ECC-Net Mystery Shopping Report⁶ found that cross-border online shopping does not create more problems than buying from a domestic trader. The delivery rate is high - 94% of orders - and in 99% of cases the items delivered are in conformity with the order. However, the number of online vendors who engage in cross border transactions is still limited. Of the total number of sites originally selected, 60% did not provide for cross border ordering.

³ Communication on E-commerce – “A coherent framework for building trust in the Digital Single Market for E-commerce and online services”, p. 1.

⁴ Consumer Conditions Scoreboard: consumers at home in the single market, May 2012 p. 4, available at http://ec.europa.eu/consumers/consumer_research/editions/docs/7th_edition_scoreboard_en.pdf

⁵ Eurostat, Information society statistics (2010). Data retrieved 14 April 2011, available at <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

⁶ Mystery Shopping Report ECC-Net 2011, available at http://ec.europa.eu/consumers/ecc/docs/mystery_shopping_report_en.pdf

2. Scope

The purpose of this report is to highlight the relevant e-commerce work undertaken by ECC-Net during 2010 and 2011. In doing so, the report seeks to highlight the main problems that consumers face when engaging in cross-border transactions online.

Apart from some general statistics, the scope of this report is limited to cross-border online transactions involving the sale of consumer goods and services – with the exception of transport and accommodation services. Indeed, although transport, such as air travel or car rental, and accommodation services are increasingly purchased online, problems in these sectors are generally unrelated to the online nature of the transaction (e.g. they may concern delays, lost luggage, damage to rented car). In addition, these sectors fall outside the scope of most provisions of Directive 97/7/EC⁷, which is the main piece of consumer legislation applicable to contracts concluded online (e.g. the right to withdraw from the contract or the provision of written confirmation do not apply to these sectors).

All statistics, statements, and conclusions made in this report are based upon the information received through analysis of the consumer complaints and disputes handled by ECC-Net in 2010 and 2011 and encoded into ECC-Net case handling IT-tool, developed by the European Commission (DG Sanco). Cases are classified in economic sectors using the COICOP classification system.⁸ ECC-Net uses the IT-tool on a daily basis to transfer cases between ECCs and to communicate the progress of an individual case. Secondly, a questionnaire⁹ was sent to all ECCs for qualitative information on local trends experienced, including examples.

The European Small Claims Procedure for cross border disputes and the European Order of Payment offers redress for cross border e-commerce disputes, when an amicable solution is not possible. Although they tend to be little-known amongst individual consumers and it would be good to promote them, this does not form part of the scope of this report. ECC-Net will elaborate on these judicial issues in future research.



⁷ Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts, Official Journal L 144, 04/06/1999 P. 0019-0027.

⁸ Classification of Individual Consumption According to Purpose used by the statistics division of the United Nations, available at <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=5>

⁹ Annex V of this report: Questionnaire: E-commerce report 2012.

3. General results



The cases received by the 29 ECCs are categorised as information requests, simple complaints (dealt through an advice to the consumer), normal complaints (requiring the ECC of the consumer to take contact with the trader or to transfer the complaint to the ECC of the country of the trader), and disputes (cases which are transferred to an ADR/ODR entity or a court). This report concentrates on analysis of normal complaints and disputes handled by ECC-Net in 2010 and 2011. However, some general data is given to provide a full picture of ECC-Net's daily case handling activities.

3.1 Information requests and simple complaints

Each ECC has a website, which is consulted regularly by many consumers. In addition, individual consumers contact ECC-Net for direct information by phone, fax, e-mail, online forms and/or a personal visit¹⁰. Where information is given to consumers but no further follow up is required, the matter is encoded as either a request for information or a simple complaint.

¹⁰ ECC-Net contact details are provided in Annex VI, please check your local ECC's website for information on opening hours and means of contact.

Example of an information request

An Irish consumer contacted ECC Ireland looking for information concerning safe online shopping. The consumer wanted to place an order with an unfamiliar web-trader based in the UK and wanted to know his rights in case something went wrong.

Example of a simple complaint

An Irish consumer contacted ECC Ireland in relation to difficulties she was having dealing with a trader based in France. The consumer ordered a camera online but shortly after the product was delivered the consumer discovered it was faulty. She contacted the seller and requested a replacement. The trader refused to provide any remedies and advised the consumer to contact the manufacturer instead. ECC Ireland recommended contacting the seller again indicating that under European consumer legislation the final seller (i.e. the retailer and not the manufacturer or any other intermediary) should provide for the above

mentioned remedies if the product became faulty with no misuse. The consumer was also advised to contact ECC Ireland again if the matter was not resolved, in case the centre can offer further assistance.

ECC-Net received 31,324 and 30,939 information requests in 2010 and 2011 respectively concerning both online and offline purchases of products and services. Of these, 19,113 and 17,750 respectively were simple complaints of which 10,670 and 9,534 (55,8% and 53,7%) concerned online purchases.

Selling Method	Number of cases 2010	Number of cases 2011	Average % 2010-2011
E-commerce	10 670	9 534	55%
On the premises	3 630	3 455	19%
Other	2 531	2 618	14%
Distance selling "except E-commerce"	1 849	1 820	10%
Doorstep selling	174	120	0,8%
Internet auctions	99	100	0,5%
Auctions	85	86	0,5%
Market/trade fair	75	17	0,2%
Total simple complaints	19 113	17 750	100%

Figure 3.1 Simple complaints: Total.

3.2 Normal complaints and disputes

When a consumer is unable to resolve a problem with a trader, (s)he may contact ECC-Net for assistance. In the case of a normal complaint, the consumer's ECC shares the case with the ECC for the country in which the trader is based (trader ECC). The trader ECC liaises with the trader directly in order to resolve the complaint. If the case cannot be resolved amicably, it is upgraded to a dispute and the trader ECC forwards the case to an ADR entity or advises the consumer on the possibility of going to court.

Example of a normal complaint

A Romanian consumer purchased tickets for a football match from a trader based in Norway. The latter failed to deliver the tickets so the consumer requested a full refund. Following the trader's failure to process a refund, the consumer felt he had no other option but to seek the assistance of ECC Romania. The complaint was then brought to the attention of ECC Norway, which in turn contacted the trader on behalf of the consumer and managed to secure a full refund.

Example of a normal complaint becoming a dispute

A French consumer ordered a chair from a Swedish web trader. The chair was not delivered and the trader did not reply to several e-mails sent by the consumer. Therefore, the consumer contacted ECC France who forwarded the case to ECC Sweden (according to the place of residence of the trader). ECC Sweden contacted the trader, but did not receive any response. Hence, the case was forwarded to the Swedish ADR. The ADR decided that the consumer was entitled to a refund.

A total of 12,604 normal complaints and disputes were received in 2010 and 12,399 in 2011. Of these, 7,135 and 7,526 (57% and 61% respectively) dealt with claims where the selling method was designated as e-commerce. In 2008 and 2009, 42% and 55% dealt with claims where the selling method was designated as e-commerce. These figures indicate that contracts concluded online represent a growing portion of consumer complaints handled by ECC-Net.

Selling method	Number of cases 2010	Number of cases 2011	Average in % 2010-2011
E-commerce	7 135	7 526	59%
On the premises	2 765	2 510	21%
Distance selling "except e-commerce"	1 305	994	9%
Other	1 018	998	8%
Doorstep selling	169	137	1%
Internet auctions	115	141	1%
Market/trade fair	57	60	0,5%
Auctions	40	33	0,5%
Total	12 604	12 399	100%

Figure 3.2 Normal complaints and disputes: Total.

Most e-commerce-related complaints received in 2010 and 2011 concerned problems related to delivery (roughly 38% of problems, 30% of which related to non-delivery) or the product/service itself (roughly 32% of problems between defective product/services and issues of non-conformity). Issues with contract terms and issues with price and payment each accounted for 10% of the problems reported. Across the years the frequency of these problems tends to remain stable.



Nature of complaint	Number of cases 2010	Number of cases 2011	Average in % 2010 - 2011
Admin. formalities	112	112	2%
Contract terms	745	656	10%
Deceit	72	53	1%
Delivery	2 635	2 918	38%
(of which non delivery)	2 089	2 328	30%
Others	155	160	1%
Price & Payment	680	720	10%
Product/Service	2 234	2 436	32%
Redress	295	316	4%
Selling Techniques/Un-fair Commercial Practices	207	155	2%
Total	7 135	7 526	100%

Figure 3.3 Normal complaints and disputes: e-commerce – evolution of nature of problem.

It is the experience of ECC-Net that many of the problems associated with delivery can be attributed to miscommunication between the consumer and the trader. The consumer may encounter practical problems, for instance by sending e-mail correspondence to the wrong address of the trader, or when the consumer misunderstands the terms and conditions due to insufficient knowledge of the foreign language. There may also be insufficient customer service or administrative problems on the side of the trader.

Many complaints concern solitary cases against small traders who are not associated with a large organisation. In general, traders are willing to provide good customer service. Sometimes they are not fully aware of the applicable consumer rights. The assistance of ECC-Net frequently leads to a solution for both parties.

A French consumer ordered computer software from a seller based in Malta. Having installed and used the software, the consumer was not happy with its performance. The consumer contacted the trader seeking a rescission of his contract arguing that according to the trader's 30-day money back guarantee he was entitled to a full refund. No response from the trader was received and the consumer decided to contact ECC France. Following the intervention of ECC Malta a full refund was processed.

A Slovakian consumer ordered a mobile phone from a web trader based in Hungary. Upon placing an order the consumer was assured that the mobile phone would include a manual in Slovakian. The product was delivered but did not include the aforementioned manual. The consumer contacted the trader and the phone was collected for a refund, but the consumer did not receive a refund. Following the intervention of ECC Hungary an amicable solution between the consumer and the trader was reached.

3.2.1 Normal complaints and disputes: sectors other than transport, hotels and restaurants

Problems with audiovisual, photographic and information processing equipment were by far the largest category of complaint for consumers both in 2010 and 2011, reflecting the continuing importance of these products in cross-border online trade.

Defects are more frequent for goods and especially audiovisual products and computers, services are more concerned with conformity to the order problems while the refusal to sell mostly concern personal effects and recreational services.

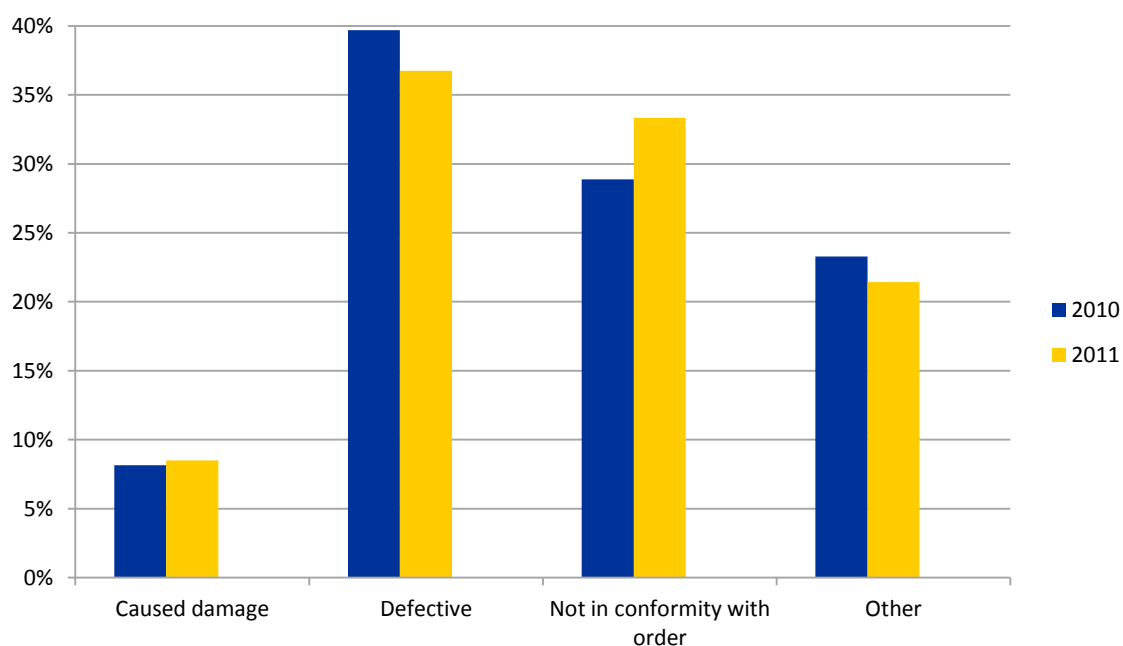


Figure 3.4 Normal complaints and disputes: e-commerce. Type of issue with the product/service.

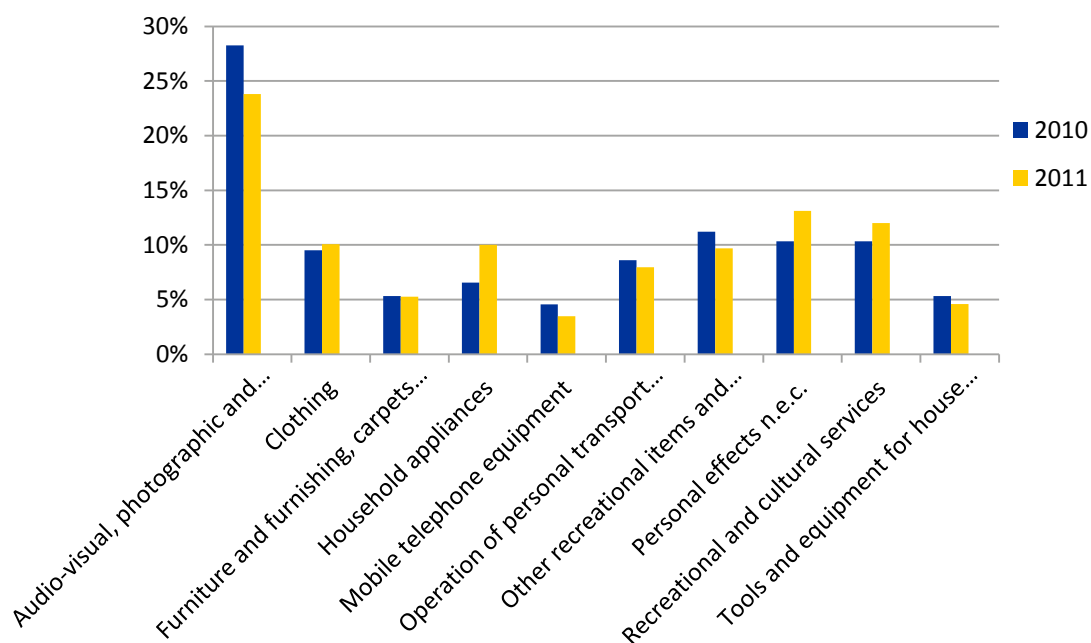


Figure 3.5 Normal complaints and disputes by economic sectors in 2010 and 2011 (except for transport, hotels and restaurants).

Classification of products and services in ECC-Net database.

1. Audiovisual, photographic and information processing equipment.

This first tier of this category includes TVs, radios, stereos, CD/DVD players, MP3 players and other equipment for reception, recording and reproduction of sound and pictures. The second tier includes digital cameras, video cameras, lenses, binoculars and other photographic equipment and optical instruments. The third and final tier includes computers, printers, software and other information processing equipment.

2. Other recreational items and equipment, gardens and pets.

This category includes online games, toys of all kinds, hobbies, video-game software and card games (for example poker games). It also includes equipment for sport, camping, and open-air recreation, as well as items for gardens, plants, natural or artificial flowers, and pets.

3. Recreational and cultural services.

This category includes online tickets, games of chance and recreational and sporting services (including the hiring of equipment and entrance fees). Also included are cultural services such as cinemas, zoological gardens and tour guides. The most common sub-categories of complaint received by ECC-Net - online tickets and games of chance - are examined in more detail in the sections.

4. Clothing.

This category comprises textiles, clothes, clothes accessories, laundry, dry cleaning, repair, and rental of clothes.

5. Operation of personal transport equipment.

This category includes the purchase of vehicles, such as new and second hand bicycles and animal drawn vehicles, new and second hand motor cars, new and second hand motor cycles, the purchase of spare parts and accessories, and fuel and lubricants. It also pertains to maintenance, repair, and other services in respect of personal transport equipment.

6. Mobile telephone equipment.

This category includes purchase of mobile telephones, radio – telephones, repair of such equipment, installation, and subscription costs.

7. Personal effects.

This category deals with jewellery, clocks and watches. Also suitcases, articles for smokers (pipes, lighters), sun-glasses, walking sticks, umbrellas, funerary articles (coffins, gravestones), thermometers and barometers.

8. Furniture.

The objects falling under this category are as follows: beds, floor coverings, lighting, installation, and repair.

9. Household appliances.

This category includes major household appliances, whether electric or not, as well as small electric household appliances such as refrigerators, washing machines, and coffee mills. It includes the delivery and installation of the appliances when applicable.

10. Tools and equipment for house and garden.

This category is concerned with electric drills, saws, hand tools, switches, sockets, and alarms.

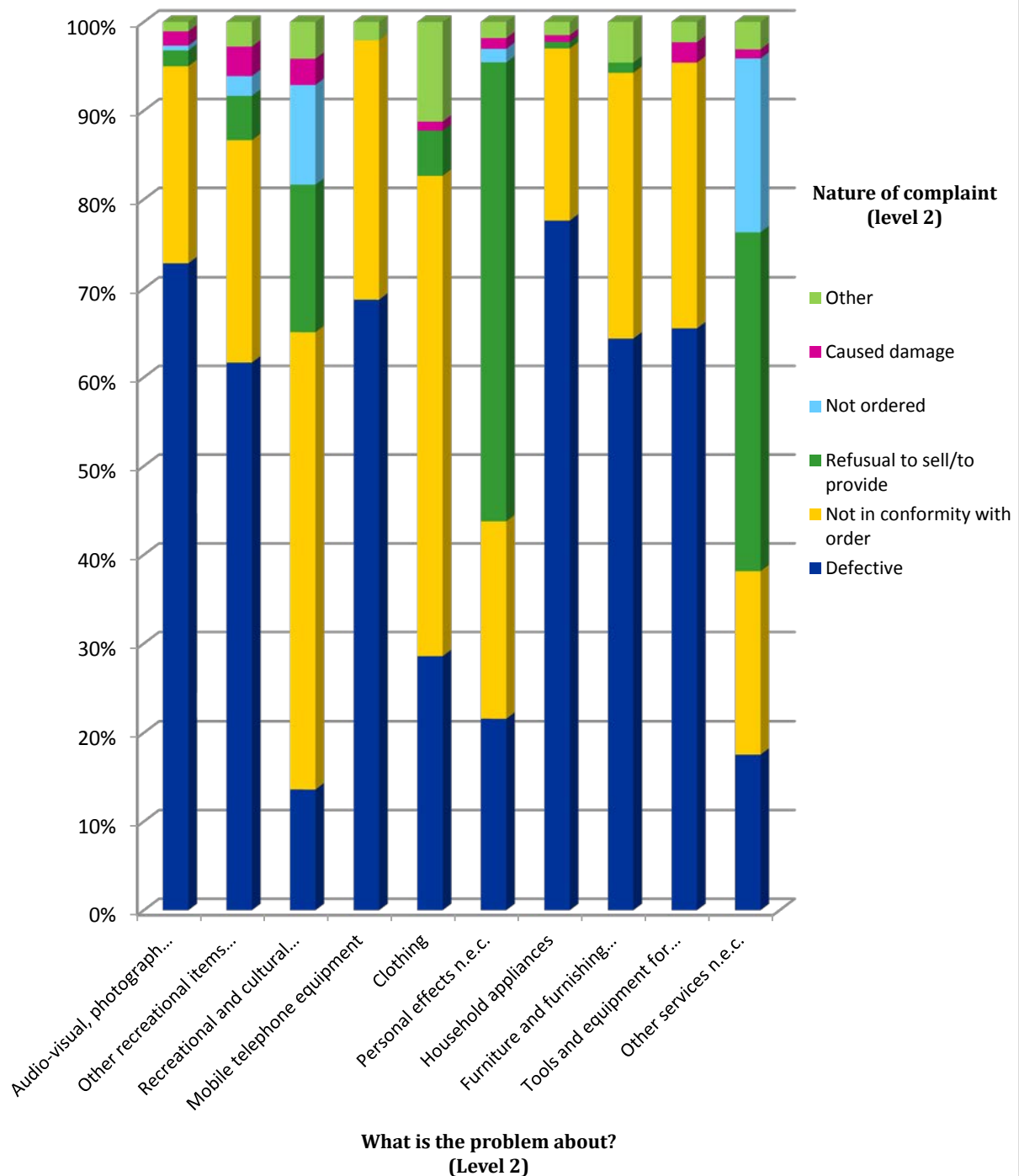


Figure 3.6 Normal complaints and disputes by economic sectors in 2010 and 2011 (except for transport, hotels and restaurants). Breakdown by type of problem.

3.2.2 Case study "Online Tickets"

There is an increasing number of complaints regarding the area of recreational and cultural services. Thanks to the development of e-commerce and travel within the European Union, consumers are increasingly exploring the possibilities of obtaining tickets to various events in other European countries.¹¹ This trend is in fact becoming global¹² and deserves particular attention.

Leaving aside package travel-like trips,¹³ a number of companies have started offering tickets online. This allows consumers to book parts of their trip on their own.¹⁴ While this affords a larger range of options for choosing hotels, travel companies etc., it also places the consumer in a more vulnerable position when it comes to the protection of consumer rights, as the trip is divided into several individual contracts which are all covered by different areas of consumer law.

A key factor in this area are the terms and conditions provided by the trader.¹⁵ Not all traders possess primary market-tickets to events and they may sell secondary market-tickets, meaning that their terms and conditions may be disadvantageous to consumers.

In turn, if issues arise in relation to the order, the delivery of tickets or the access to an event, the terms and conditions may provide consumers with very little protection. Problem areas also include unclear pricing and lack of information about the trader.



For example one can read on an online ticket provider website the following:

A. "Normally tickets are shipped from the offices of XXXXXX 3 - 5 days before the event (subject to changes).

B. Should a delivery window be unavailable (due to the late release of some tickets) or by the client's request, tickets will be sent to a hotel address or local pick up address near to the event venue on the day of the event.

¹¹ Commission (Directorate-General for Health & Consumers) sweep, "Buying on the internet: it's now safer for consumers to shop for tickets online following EU action", September 29 2011, available at http://ec.europa.eu/consumers/enforcement/sweep/online_ticket_sales/online_tickets_sales_sweep_29092011_en.pdf

¹² Better Business Bureau, article "BBB Cautions Sports Fans: Play Smart When Buying Tickets Online", March 10th 2007, available at <http://www.bbb.org/us/article/bbb-cautions-sports-fans-play-smart-when-buying-tickets-online-970> and Better Business Bureau, article "Look Out for Super Bowl Scams", January 24th 2012, available at: <http://www.bbb.org/us/article/look-out-for-super-bowl-scams-32130>

¹³ i.e. <http://www.worldfootballtravel.com/>, <http://www.kulturesor.se/>, <http://www.travel2opera.com/>

¹⁴ i.e. <http://www.sportsevents365.se/>, <http://www.viagogo.se/Sportbiljetter>, http://www.lippupalvelu.fi/index.php?tm_link=tm_logo&language=sv&l=SE

¹⁵ Commission (Directorate-General for Health & Consumers) sweep, September 29 2011, available at http://ec.europa.eu/consumers/enforcement/sweep/online_ticket_sales/online_tickets_sales_sweep_29092011_en.pdf

In case of a pickup point at a location near to the venue, XXXXXX will start to deliver the tickets 2 hours before the event time until the start of the event (in the event of a pickup point near to the venue, if the client doesn't arrive to collect the ticket(s), no refund will be made)."

In addition, this example derives from the terms and conditions of a company formally registered outside the EU, but directing its business towards EU Member States. It becomes even more difficult for consumers to seek redress for unfair commercial practices.

The issues of complaint and redress have become crucial for consumers. When complaining to a company, consumers often seek reimbursement for additional costs besides the cost of the non-delivered tickets. In the last two years, ECC Norway has forwarded many cases involving a Norwegian ticketing company to the Norwegian ADR "Forbrukertvistutvalget."¹⁶ In the cases brought forward to the ADR, "material damage" can generally be deemed subject to reimbursement while "non-material damage", meaning the disappointment, "ruined holiday," and customer dissatisfaction are outside the scope of reimbursement or compensation.

3.2.3 Case study "Games of chance"

Games of chance have also experienced enormous development in terms of both economic and cross-border aspects. As stated in the European Commission's public consultation on online gambling in the Single Market from 2011, the annual revenues for online gambling, as a whole, are expected to exceed 12 billion Euro in the year 2013.¹⁷ Furthermore, the Commission's Green Paper on online gambling points out the importance of protecting consumers from fraudulent services, as well as the enforcement of consumer rights.¹⁸

From an e-commerce and consumer rights perspective, a number of important issues can be discerned from this area of business. The ever important aspects of security and personal integrity have, to a certain extent, been assessed in EU secondary legislation relevant to online gambling.¹⁹ Additionally, the issue of secure payments is briefly reviewed to ensure consumer protection against fraudulent services. The Commission has also identified gambling addiction and the protection of minors and other vulnerable groups as issues needing attention.²⁰

¹⁶ <http://www.forbrukertvistutvalget.no/xp/pub/hoved/forside/489332>

¹⁷ European Commission press-release "Online gambling in Europe: let's discuss", March 24th 2011, available at: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/358&format=HTML&aged=0&language=EN&guiLanguage=en>

¹⁸ European Commission "Green Paper On online gambling in the Internal Market", March 24th 2011, available at: http://ec.europa.eu/internal_market/consultations/docs/2011/online_gambling/com2011_128_en.pdf p. 19

¹⁹ European Commission "Staff working document accompanying the Green Paper on online gambling in the Internal Market", March 24th 2011, p. 13ff, available at http://ec.europa.eu/internal_market/consultations/docs/2011/online_gambling/sec2011_321_en.pdf

²⁰ European Commission "Green Paper on online gambling in the Internal Market", March 24th 2011, p. 19ff, available at http://ec.europa.eu/internal_market/consultations/docs/2011/online_gambling/com2011_128_en.pdf

3.3 Country of trader

The largest number of normal complaints and disputes involved German and UK web traders. They accounted for, respectively, 21,5% and 20,5% of the total number of complaints in 2010 – 2011. French, Luxembourgish, and Dutch web traders also feature at the top of the chart. These five Member States account for approximately three-quarters of the overall number of e-commerce-related normal complaints and disputes.

It is interesting to find a country such as Luxembourg, which has only a small number of traders, in the top 10. The reason for its presence is likely attributable to the business and fiscal environment in Luxembourg, which has attracted many global e-commerce players to the country (both e-Bay and PayPal, for instance, have their European head offices there).

There are also several online dating sites which work throughout Europe but are headquartered in Luxembourg.

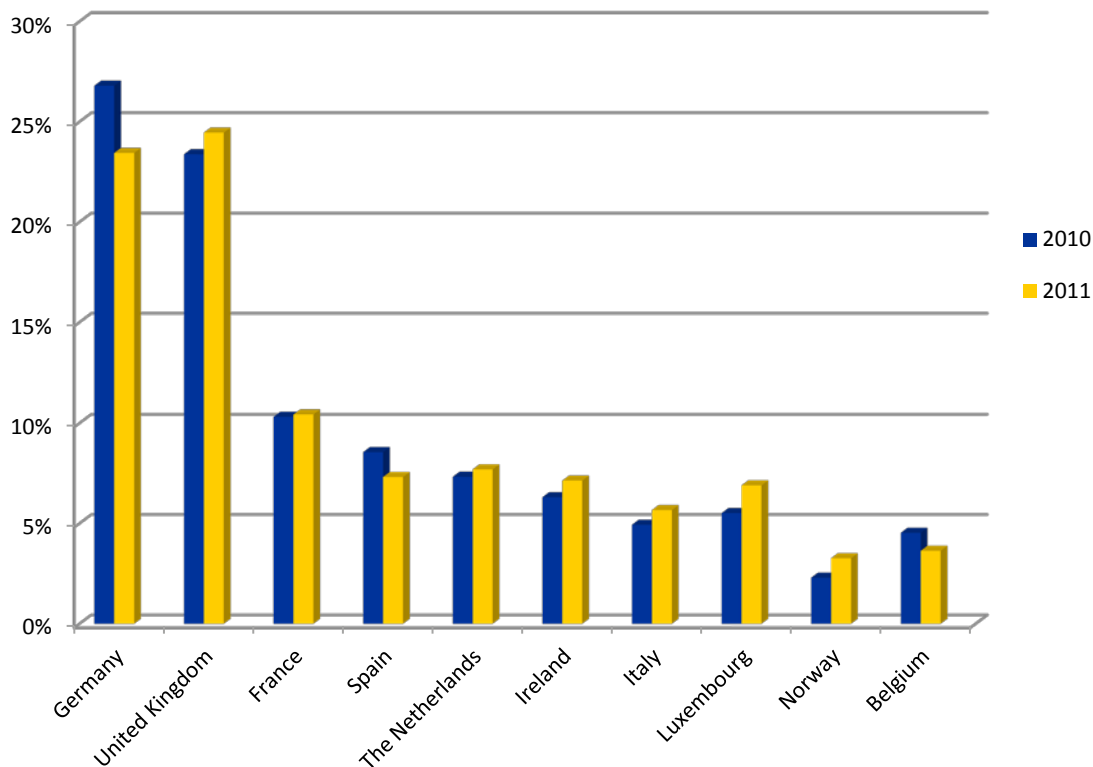


Figure 3.7 Top 10 countries of traders involved in a normal complaint or dispute, 2010 and 2011 (e-commerce).

These countries represent the largest e-commerce markets in the European Union and have the highest number of transactions. Taking the above considerations into account however, and despite the large number of normal complaints against traders based in these countries, it cannot be inferred that there are any inherent problems with web traders in these countries.

ECC France received the highest amount of normal complaints and disputes in relation to e-commerce in 2010 and 2011.

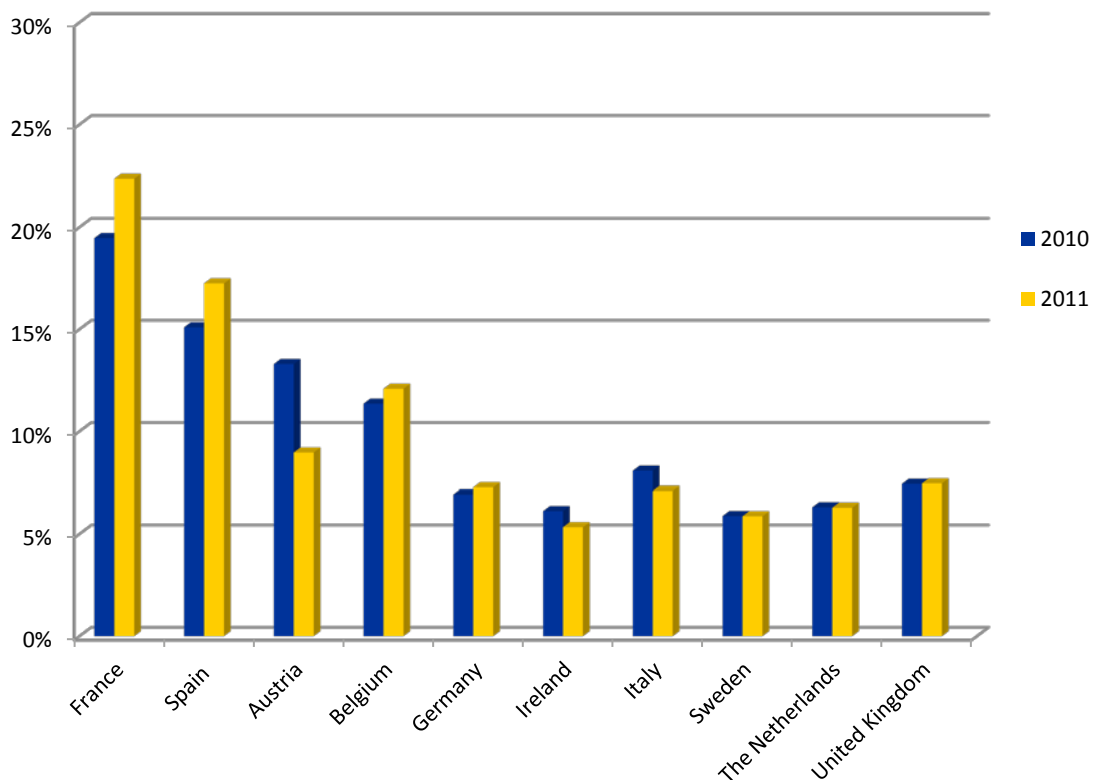


Figure 3.8 Top 10 countries of residence of consumers addressing normal complaints or disputes to ECC-Net in 2010 and 2011 (e-commerce).

4. Main problem areas



This chapter presents a qualitative description of problem areas based on case studies. It is intended to identify frequent practices that are not in line with EU legislation or traps and unfair practices about which consumers must be particularly vigilant.

4.1 Cooling off period and return costs

According to Article 6 of the Distance Selling Directive,²¹ consumers are entitled to a cooling off period of at least 7 working days where the consumer can withdraw from the contract without having to give any reason. Some Member States offer a longer cooling off period and the periods vary from 7 to 15 working days. In accordance with Article 4(1)(f) of the Directive, the trader is obliged to inform the consumer about the cooling off period. This information must be given prior to purchase and also after conclusion of the contract.

Consumers subscribed to an online dating service based in Luxembourg and Germany, thinking that the payment was 19 EUR per month. But several hours later, they understood that the payment for one year was withdrawn from their account in one operation (228 EUR). The consumers outlined the lack of information and tried to invoke the cooling off period, but the trader would only stop the subscription and did not refund the money. The case was transferred to the relevant ECCs and several days after their intervention, the trader acknowledged the cooling off period and refunded the consumers.

When a consumer chooses to exercise his right to withdraw from the contract during the cooling off period, (s)he has to send the product back to the trader and the trader has to reimburse the consumer the full amount that the consumer has paid, as per Article 6(2) of the Distance Selling Directive. The return cost for shipping the product back to the trader shall in several Member States be paid by the consumer and in other Member States by the trader. See figure 4.1

²¹ Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts.

Country	Cooling off period	Who covers the return costs within the cooling off period according to the national law?
Austria	7 working days	Consumer (if this was agreed on by the parties)
Belgium	14 calendar days	Consumer
Bulgaria	At least 7 working days	Trader
Cyprus	14 days	Consumer
Denmark	14 days	Consumer
Estonia	14 days	Trader (the parties may agree that the consumer will bear the expenses to the extent of a sum corresponding to 10 euro)
Finland	14 days	Trader
France	7 working days	Consumer
Germany	14 days	Trader (if the value of the product is less than 40 euro the parties may agree that the consumer shall bear the costs)
Greece	10 working days	Trader
Hungary	8 working days	Consumer
Iceland	14 days	Consumer
Ireland	7 working days	Consumer
Italy	10 working days	Consumer
Latvia	14 days	Consumer
Lithuania	7 working days	Trader
Luxembourg	7 working days (14 working days regarding financial services)	Consumer
Malta	15 working days	Consumer
Norway	14 days	Consumer
Poland	10 days	Consumer
Portugal	14 days	Consumer
Romania	10 working days	Consumer
Slovakia	7 days	Consumer
Slovenia	14 days	Consumer
Spain	7 working days	Consumer
Sweden	14 days	Consumer
The Czech Republic	14 days	Consumer
The Netherlands	7 working days	Consumer
The United Kingdom	7 working days	Consumer

Figure 4.1 Overview per country of cooling off period and the contractual party who covers the return costs.

A consumer tested a GPS map during a 7-day free trial period and placed an order. When the consumer tried to download the map this was not possible. As a result, the trader did not deliver the map. The consumer sent a complaint, but did not receive any response from the trader. Following contact from ECC Portugal, the trader contacted the consumer and the matter was resolved. The trader reimbursed the consumer and allowed him to freely use the software and maps requested.



One difficulty with the right of withdrawal within the cooling off period is that some web traders do not adhere to their obligation to inform consumers about the cooling off period. Another is the fact that once the service is performed or the digital content is downloaded, there is no right of withdrawal. For instance, ECC Sweden has received many cases regarding web traders providing services like car valuations or different “personality tests” where traders often do not warn consumers about the above. Consumers often discover these services through pop-up advertisements on websites or social networks such as Facebook, and they make very rapid decisions to activate the service without thinking that they will not be in a position to refuse it afterwards.

This is because the right of withdrawal cannot be exercised once performance of the service has begun, i.e. as soon as the consumer has launched the application. In addition, where a product is made to the consumer’s specifications, the latter cannot rely on the right of withdrawal to return it. However, if the trader did not properly inform the consumer, (s)he should then have the right to withdraw. In ECC Sweden’s experience, consumers still experience difficulties in the exercise of their rights of withdrawal, even after having complained on the basis of the traders’ unclear terms and conditions.

A consumer ordered a car valuation on the internet. When ordering the service the consumer thought that it was free of charge, but then he received an invoice of 399 SEK (about 45 EUR). He tried to use his right of withdrawal within the cooling off period, but the trader refused to accept a withdrawal and referred to their terms and conditions. These stated that the consumer has no right to a cooling off period where the service had begun and the product was made to the consumer’s specifications.

Similarly, consumers who have purchased and begun to use digital content are unable to invoke the right of withdrawal. This product falls within the exceptions to the right of withdrawal according to Article 6(3) of the Distance Selling Directive,²² whereupon consumers are not entitled to withdraw as the performance of the service has begun. This is problematic because consumers often do not know about this exception to the right of withdrawal. Therefore, it is of great importance that consumers are made aware of this exception prior to purchasing such products. The new Directive on Consumer Rights will help in these situations by requiring that where a right of withdrawal is not provided, the consumer must be informed that (s)he will not be able to avail of this right. Some traders also seem to try to give consumers the impression that they do not have any right of withdrawal within a cooling off period. In such cases, it is important that consumers know their rights and feel secure enough to argue the matter with the trader.

A consumer purchased headphones for 42.99 GBP (about 53 EUR) plus freight costs. When the headphones arrived he opened the package and tested them. The consumer was not satisfied with the headphones and therefore he wanted to withdraw from the contract using the cooling off period. First the trader refused the right of withdrawal. Then, when the consumer sent him a copy of the Distance Selling Directive, the trader accepted the withdrawal and asked the consumer to send the headphones back. The consumer did so but he did not receive a refund. The consumer turned to his consumer ECC and the case was shared with the trader ECC. The trader was contacted but unfortunately failed to cooperate with ECC-Net. As the consumer did not want to continue his claim, the case had to be closed unresolved.

There are also cases where the trader has accepted the consumer's right of withdrawal, but neglects to reimburse the consumer.

A consumer ordered a jacket from a trader's web shop. The jacket was delivered but it did not fit the consumer. The consumer therefore returned the jacket to the trader and asked to exchange the size. The trader did not have the size the consumer wanted and so agreed to take it in – along with a full refund of the consumer's money. However, the trader did not refund the consumer and the consumer then turned to his ECC. The case was shared with the ECC in the country where the trader was based. This ECC contacted the trader and eventually the consumer was refunded.

It is important for consumers to save the correspondence they have with the trader as this documentation is needed to prove their case, including, if necessary, in court.



²² Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts.

4.2 Discrimination based on country of residence

Consumers are often frustrated that certain services are not provided in their country or that they cannot buy from other Member States because, for instance, there are no deliveries to their country or foreign payment cards are not accepted. Consumers often find this discriminatory and from their point of view it prevents the free movement of goods and services.²³

From the responses to the questionnaires it is apparent that several members of ECC-Net noticed an increase in such cases. Often this concerns UK-based companies who are particularly attractive to non UK citizens as their site is in English and thus easily understandable. ECC UK reported that they received 384 complaints in 2010-2011.²⁴

These cases concern web traders who either refuse to sell products or services to residents of certain Member States or who, due to the consumer's country of origin, would only sell the products at an escalated price. One must always consider carefully whether such restrictions are acceptable and are based on the freedom of choice for contract partners or are discriminative and thus are to be interpreted as a violation of EU law.

Article 20(2) of the Services Directive²⁵ states that "Member States shall ensure that the general conditions of access to a service, which are made available to the public at large by the provider, do not contain discriminatory provisions relating to the nationality or place of residence of the recipient, but without precluding the possibility of providing for differences in the conditions of access where those differences are directly justified by objective criteria." This article obliges Member States to ensure that general conditions of access to a service which are made available to the public at large by a service provider do not contain discriminatory provisions based on the nationality or on the place of residence of recipients. However, this does not exclude service providers from applying different prices and other conditions of access so long as these differences are justified by objective criteria. It is for the relevant national authorities to ensure the enforcement of national provisions implementing the principle of non-discrimination. It is important that each Member State make equivalent interpretations of what may be considered objective criteria.

The results of the Online Cross-border Mystery Shopping report²⁶ show that it is really difficult to find online retailers willing to sell cross-border. First of all, language is still a barrier as only 21% of the websites examined provided information in at least two languages. In the end,

²³ European Commission: "A Digital Agenda for Europe", COM (2010) 245, p. 41 and also the Online Cross-border Mystery Shopping – state of the e-union, the European Consumer Centres Network, September 2011 p. 49, available at http://ec.europa.eu/consumers/ecc/docs/mystery_shopping_report_en.pdf

²⁴ Questionnaire, Annex V, answer from ECC UK.

²⁵ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006, on services in the internal market, available at <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:376:0036:0068:en:pdf>

²⁶ Online Cross-border Mystery Shopping – state of the e-union, the European Consumer Centres Network, September 2011 p. 49, available at http://ec.europa.eu/consumers/ecc/docs/mystery_shopping_report_en.pdf

after trying to complete a cross border transaction, this could be achieved for only 40% of the retail websites selected.²⁷

An Austrian consumer bought a mobile phone from a German online shop. Two months later the manufacturer cut the prices for the phone and offered consumers who had already bought the phone a refund of the difference in price. The manufacturer stated, however, that the consumers had to be resident in Germany to avail of the reduction. The consumer felt he was being discriminated against as he bought the phone from a German online shop. The manufacturer refused to refund the consumer. After intervention from ECC Germany through a letter in which the legal status of the consumer was explained, the manufacturer refunded the consumer the difference of €256.

A Swedish consumer wanted to purchase products from a German trader, but the trader refused to sell to consumers living outside Germany. The consumer, who wanted a clarification of the reasons why they had chosen not to sell to consumers living outside Germany, then turned to ECC-Net for assistance and the case was shared with ECC Germany. ECC Germany contacted the trader in order to request objective criteria for the refusal to sell. The trader however only referred to the freedom of contract, that the consumer decided not to challenge.

Discrimination can also happen after the sale has taken place for example regarding commercial warranties.

A Slovenian consumer ordered several items online from an Austrian furniture shop. After the two-year legal guarantee period had expired, an armchair broke. Since this item had a 10-year commercial warranty, the trader was willing to fix the armchair but refused to cover any transportation costs. After ECC Austria's intervention the seller agreed to pick up the armchair at the consumer's apartment and to send him a new armchair for free without even inspecting the broken one.

4.3 Problems with product or service

According to Article 3 of Directive 1999/44/EC,²⁸ goods purchased by consumers are covered by a legal guarantee. Under the aforementioned Directive the seller is required to deliver goods to the consumer that are in conformity with the contract of sale. Accordingly, the seller shall be liable to the consumer for any lack of conformity which exists at the time of delivery. The seller shall be held liable where the lack of conformity becomes apparent within two years from the date of delivery, unless under national legislation a longer limitation period applies.

²⁷ See Mystery shopping report p. 9, "For the purpose of selecting the web traders, the working group drafted a guide, including instructions on a minimum set of criteria. The ECC's were instructed that the web traders had to be willing to sell cross-border. The web traders had to accept credit or debit cards as a method of payment and the website had to operate in at least two languages. When searching for relevant web traders, the ECC's were also asked to make sure that some of the web traders were members of a Trustmark scheme. We wanted to check whether this would have any effect on the trader's compliance with EU law".

²⁸ Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees.

According to Article 5(3) of the Directive, “Unless proved otherwise, any lack of conformity which becomes apparent within 6 months of delivery of the goods shall be presumed to have existed at the time of delivery unless this presumption is incompatible with the nature of the goods or the nature of the lack of conformity.” That is to say, if any lack of conformity becomes apparent within six months the non-conformity is presumed to have existed at the time of delivery.

The legislation also allows Member States to provide for a longer period than six months. The trader must either prove the opposite or provide for remedies. Thereafter consumers may have to prove that the non-conformity already existed at the time of delivery. The goods may also have a commercial guarantee period, which may be shorter or longer than the legal guarantee period. Since the legal guarantee period is the minimum time in which consumers can bring an action against the seller, it cannot itself be shortened by providing for a shorter commercial guarantee period.

In accordance with Article 3 of the Directive, if a product is faulty, the fault shall be remedied and the trader is obliged to either repair the product or exchange it for a new one, and this shall be carried out without any cost to the consumer. The consumer may require the seller to repair or replace the goods; however if this is impossible or disproportionate the consumer may require an appropriate reduction of the price or have the contract rescinded.

Depending on the price and the type of fault, it is up to the trader to decide between repair and replacement. If the trader is unable to correct

the fault, refuses to correct it, or if a remedy does not take place within a reasonable time, the consumer can claim a reduction in price or cancel the purchase.

The statistics from ECC-Net’s case handling indicate²⁹ that problems with the product or service were the second largest category of complaint (after delivery issues) during 2010 and 2011. These problems constitute 31% of all E-commerce complaints and concern mostly defective products and services (45% of these complaints) or issues of non-conformity (30% of these complaints). In these cases, the trader refused to remedy the situation and the intervention of ECC-Net was crucial for many consumers. Consumers may encounter further problems having submitted a complaint, with one major issue being the trader’s refusal to even respond to the consumer’s complaint. Another frequent problem is traders promising consumers a refund, but then refusing to respond to the consumer’s attempts to contact them.

Sometimes the traders simply seem to disappear. This is highly problematic because even if the consumers have a right to a remedy from the trader, the consumer may not be able to avail of his rights. If the trader is not prepared to comply with the law or to cooperate, it may be difficult to obtain redress. In these situations the importance of ECC-Net is clear, as intervention by the network frequently allows consumers to avail of their rights. It is ECC-Net’s experience that traders may have difficulty in telling the difference between the right of withdrawal and their obligation to correct non-conformity.

²⁹ See Figure 3.3 at page 15. Normal complaints and disputes: e-commerce – evolution of nature of problem.

A consumer purchased a CD that turned out to be defective. The trader rejected the complaint and informed the consumer that he could not cancel the purchase because the consumer had opened the CD. After the consumer contacted ECC-Net, the trader reimbursed the consumer.

A consumer purchased a headset from the trader's website. One year and four months later the headset stopped working. The trader informed the consumer that the one year guarantee on this particular product had already expired and the trader also referred the consumer to the manufacturer as the trader claimed not to be responsible. In the end, the trader ended up reimbursing the consumer.

Intervention by ECC-Net unfortunately does not always result in success. Traders who do not respond to an ECC's attempts to contact them constitute a problem that the network faces on a regular basis. Sometimes the traders simply refuse to cooperate. In these cases, ECC-Net informs and advises the consumer on the possibilities for extra-judicial and judicial redress, but often consumers decide to give up their claim due to the low amounts involved.

When it comes to the purchase of digital content, the main areas of concern are the following:

- Lack of conformity
- Unclear technical information provided in the Terms and Conditions
- Low quality of software

It is difficult for individual consumers to decide whether the quality is as can be expected or not as consumers generally do not have easy access to expert opinions. The good faith of traders is therefore crucial and it is important to consult various review forums before making a purchase. Regarding the nature of services, information about subscriptions, duration, and the price are often hidden, as well as information about the right of withdrawal (or lack thereof). Further issues faced by consumers when purchasing online include a lack of customer service or unsatisfactory customer service.



4.4 Delivery

As the Online Cross-border Mystery Shopping report³⁰ suggested, cross-border E-commerce actually seems highly reliable in most cases. Non-delivery occurred in only about 5% of cross-border cases while other statistics show that there are delivery problems in 6% of domestic purchases.³¹

Delivery problems can be due to stock issues, trouble with transportation, problems with the ordering procedure at the trader's website or the trader having ceased to trade.

Following the Distance Selling Directive the trader must execute the order within a maximum of 30 days unless the parties agree otherwise. If the trader does not do this, the consumer is entitled to cancel the contract in accordance with Article 7(2) and the trader must provide a full refund within a reasonable period. However, the Member States may instead provide that the trader supply goods or services of equivalent quality and price. This stipulation, where applicable, must be made clear prior to the conclusion of the contract or in the terms of the contract itself.

A Finnish consumer purchased spare parts for two computers via a trader's website for a total price of 176.86 EUR. Only one of the items was delivered. The trader was informed right away and wrote to the consumer that the item was out of stock and that the consumer would shortly get a refund of the price of the item, 128 EUR, as well as postage fees. Since the consumer did not hear



anything from the trader, the consumer contacted ECC-Net. The case was shared within ECC-Net and it turned out that the trader had ceased trading due to insolvency. Thus, the consumer was informed on how to proceed with the claim and the case was closed.

A consumer ordered tickets for a football match for him and his friend. The consumer then flew to Italy for the weekend just to watch the match. However, the consumer did not receive the tickets and the trader argued that this was because it is not possible to purchase several tickets in the same name. The consumer was not informed of this when he ordered the tickets. The consumer thus turned to the ECC in his country and the case was shared with the trader ECC. After the intervention of ECC-Net the consumer was refunded.

³⁰ Online Cross-border Mystery Shopping – state of the e-union, the European Consumer Centres Network, September 2011 p. 5, available at http://ec.europa.eu/consumers/ecc/docs/mystery_shopping_report_en.pdf

³¹ "Consumer Conditions Scoreboard - Consumers at home in the single market", 5th edition, March 2011, p. 15.

A Dutch consumer placed an order for a computer on an Austrian trader's website. Three weeks later the consumer was notified by the company that the product could not be delivered. He was asked to provide his bank details for the refund. The consumer sent IBAN and BIC straight away but never received the money. Hence, he contacted ECC-Net for assistance. The case was shared with ECC Austria who first sent a letter to the trader. When no response followed, ECC Austria called the trader in order to demand a reimbursement. Only three days later the consumer confirmed the refund of the purchase price.

4.5 Unsolicited goods and inertia selling

During 2010 and 2011, more than half of the European Consumer Centres reported receiving cases regarding unsolicited goods, or inertia selling, as it is referred to in EU legislation. Inertia selling is a method of selling that involves the sending of unsolicited goods on a sale or return policy. Inertia selling relies on the passive reaction of a potential purchaser to choose to pay for the goods received rather than undertake the effort to complain to the company and send the goods back.³²

A consumer received an invoice for an internet service that she had ordered according to the trader. The consumer contacted the ECC in her country since she had not ordered any service; in fact it was impossible for her to have ordered this

internet service since she has neither an internet connection nor a computer. This case and others like it were reported to the Consumer Agency who wrote to the trader.³³ This action led to the trader dropping all claims.³⁴

Inertia selling is regulated under the Distance Selling Directive³⁵ and prohibited under the Directive concerning unfair business-to-consumer commercial practices in the internal market (UCP directive.³⁶ Annex 1 in this Directive contains a blacklist of commercial practices that will always be considered as unfair and this blacklist is valid in all member states.)³⁷

If no contact whatsoever took place between the seller and the consumer prior to the sending of the goods or samples, the consumer should simply ignore the claims from the trader and dispose of the goods. All attempts from the trader to get a payment of the goods returned are considered as an aggressive commercial practice according to Point 29 in Annex 1 of the UCP Directive. However, in reality, there will often have been some form of contact between the seller and the consumer. The latter may have signed up for a free test period of products or services.

³² The European Online Marketplace: Consumer Complaints 2008 – 2009, p. 29.

³³ <http://www.konsumentverket.se/Nyheter/Nyhetsarkiv/Nyhetsarkiv-2011/Konsumentverket-varnar-for-Pitacassis-tester-pa-Internet/> (Only in Swedish)

³⁴ <http://www.konsumentverket.se/Nyheter/Nyhetsarkiv/Nyhetsarkiv-2011/Pitacassi-lagger-ner-verksamheten-i-Sverige/> (Only in Swedish)

³⁵ Directive 1997/7/EC.

³⁶ Directive 2005/29/EC.

³⁷ Directive 2005/29/EC Article 5.5.



After the test period is over, the trader will continue sending goods to the consumer and demand payment, even though the consumer has explicitly declined any more deliveries. In such a case, clearly, the consumer should dispute the claim for payment from the trader. What is less clear is whether the consumer has to care for returning the products.

A consumer accepted a free sample test of a weight loss product from a pop-up advertisement on the internet. The consumer had not been informed that she had to inform the company within 30 days if she did not wish to continue receiving the products. The consumer did not contact the company. The result was that the consumer ended up with a lot of products that she did not know what to do with, as she had concluded an agreement with the company without realising that she had done so. This was mentioned in the terms and conditions that the consumer had not read before accepting the “free” test sample.

4.6 Display of prices

Under the Distance Selling Directive traders are obliged to provide a clear and unambiguous indication of the prices of the goods and services they offer for sale.³⁸ The UCP Directive and Price Indication Directive also prohibit the use of misleading price indications, or providing this information in an unclear, ambiguous, or untimely manner. Without this transparent pre-contractual information, consumers cannot make a well-informed choice, and proceed to price comparisons. Studies show³⁹ that certain pricing practices and the way the price is presented have a significant impact on consumer behaviour. For instance, partitioning prices into a base price and surcharge (i.e. shipping and handling fees) can increase consumers’ perceived relative value, increase their purchase intentions for the products, and lower their search intentions for better deals.

Complaints related to price display comprised 5% of all E-commerce-related complaints received by ECC-Net in 2010 and nearly 6% of those received in 2011.

Problems consumers encountered relate to:

1. non/incorrect display of prices
2. mistakes in price display
3. hidden costs
4. currency exchange-related issues

³⁸ Directive 97/7/EC Article 4.

³⁹ “Pricing Practices: Their Effects on Consumer Behaviour and Welfare” p.14, http://www.oft.gov.uk/shared_of/busi-ness_leaflets/659703/Advertising-of-prices/Pricing-Practices.pdf

4.6.1 Non/incorrect display of prices

The response from the questionnaires showed that most ECCs received complaints concerning the difference between the price initially advertised by the seller and the price the consumer was charged. There were also instances reported where, upon receiving the product, the consumer discovered it was labelled at a lower price than the one the consumer was charged.

In order to gain access to an online diet service provided by a trader based in Latvia, a Lithuanian consumer was required to obtain a special code. The consumer paid for the code via her mobile phone believing she was availing of a service priced at 3 LTL. Instead, the consumer was charged 60,48 LTL. Following the intervention of ECC Latvia, the trader reimbursed the difference in price.

In the event of traders being unable to determine or calculate the full price (including taxes, packaging or delivery) before the order is placed, consumers must be provided with information on the manner in which the price is to be calculated or the place (e.g. terms and conditions or FAQ) where the information is given.

A common problem encountered by consumers in relation to websites offering services such as life prognosis tests, house/car valuations, music downloads, etc. is that in order to benefit from the alleged free-of-charge service, consumers are required to register on the trader's website. Having followed instructions and provided their personal details, many consumers then face a hefty bill for the service provided.



4.6.2 Corrected mistakes in price display

This category involves complaints relating to the situation where the consumer, after receiving the order confirmation and making the payment, is informed by the trader that the price in question was incorrectly advertised and is then given a choice between

1) going ahead with the transaction and paying a higher price or a difference in price, or
2) having the contract rescinded. This problem may lead to consumer loss; consumers ordering the goods/services in good faith and unaware of any error are prevented from relying on the initial price and are left frustrated and annoyed.

In order to find out whether a genuine mistake was committed or if the trader has engaged in unfair commercial practices, it is crucial to look into the case-specific situation. To form a legally enforceable contract the contracting parties must agree on the terms of the agreement, must intend to create a legally binding agreement and must obtain a benefit from the contract. Under the general principle of contract law,⁴⁰ defects in consent (i.e. mistake or fraud) are accepted as a ground for setting aside a contract. Accordingly, if there is a genuine mistake on behalf of one party in failing to display the correct price, this party can claim that there is a defect in consent and the contract may be set aside, especially if the other party should reasonably have known that the price displayed was the result of an error.

A Spanish consumer ordered clothes online from a trader based in Ireland. Each item was advertised at a price of 1 EUR. However, immediately

after the order confirmation was received and before the payment was made, the consumer was contacted by the trader advising that due to a glitch on their website incorrect prices had been displayed and for this reason they could not execute the order.

When the trader advertises a product for sale, the consumer is invited to make an offer to buy. Once an offer is accepted, and consequently a binding contract is formed, the consumer can insist that the trader sells the goods for the price advertised.⁴¹ In the absence of the relevant terms and conditions, however, it may be unclear what act constitutes the acceptance and whether a binding contract is formed. A mistake in the price display should be acknowledged and rectified before a purchase is made. If the trader fails to do so and it transpires that the consumer placed an order in good faith, the consumer could look for arrangements from the trader, particularly if (s)he incurred consequential damage.

Believing he had spotted a bargain, a British consumer ordered a TV set online advertised by a French trader with an "85% off" tag. The consumer was later informed his order had been cancelled due to a pricing error. The complaint was brought to the attention of ECC France. The trader refused to sell the product at the price initially quoted, but offered the consumer affected by their error a voucher worth 25 GBP (about 31 EUR) which could be used against any order over 150 GBP (about 186 EUR).

⁴⁰ The Principles of European Contract Law; available at <http://www.jus.uio.no/lm/eu.contract.principles.parts.1.to.3.2001/>

⁴¹ Unless different provisions regarding the contract formations apply under national legislation.

4.6.3 Hidden costs

Under the Distance Selling Directive, before the contract is made consumers have to be given a clear and unambiguous indication of prices and whether the price includes taxes and delivery costs.⁴² This is not always the case. Certain pricing techniques and hidden costs associated with them were a common cause for consumer complaints lodged with ECC-Net in 2010 and 2011.

The practice of advertising a price for a product or service and adding extra charges during the purchasing process, when used transparently, can benefit consumers allowing them the opportunity to tailor a product or service to match their requirements. However, when used in a misleading manner, it may hinder the transparency of online transactions. Consumer complaints reported within this category were mainly associated with traders failing to accurately display the prices or include all compulsory charges with the headline price. In many instances these practices resulted in consumers facing additional charges once their order confirmations or invoices were received. A way to reduce consumer detriment may be to present the total price upfront, followed by additional information on the composition of the price as this increases transparency.

An Irish consumer ordered art supplies from a German web trader believing the price included the shipping charges and VAT. The consumer received her order confirmation only to discover that the price displayed on the website did not include VAT and delivery costs. As a result, the consumer was charged more than initially quoted.

The other problem area involved subscription services, where consumers are unaware that they are entering into expensive on-going arrangements with the trader. As per the relevant terms and conditions, consumers were required to cancel the contract within the so-called free-trial period, but in many instances communicating their requests or reaching the trader proved very difficult.

4.6.4 Currency exchange-related problems

The majority of currency exchange-related complaints received in 2010 and 2011 concerned losses consumers sustained as a result of

- 1) web traders charging consumers in a currency other than the price advertised and
- 2) the difference between the amount paid and the amount refunded due to currency conversion.⁴³

⁴² Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts.

⁴³ ECC Ireland is currently working on a report concerning currency exchange-related problems. Check ECC Ireland's website for further follow up in 2012.

Dynamic currency conversion, where traders bill their customers in the currency of the customer's account rather than the currency they normally trade in, is an increasing movement worldwide.⁴⁴ As the exchange rate used is typically well above market rates, consumers may end up paying a higher amount than the amount at which the product or service is advertised initially. The service should not be provided on an opt-out basis, but instead the consumer should be given the choice of whether to pay in the currency in which prices are displayed or in the currency of his/her account. Consumers are not always adequately informed about the cost implications of choosing to pay in the currency of their accounts.

A Norwegian consumer placed an order online with a Swedish trader. The price of the item was displayed in Swedish Krona; however the trader billed the consumer in Norwegian Krone – the currency of his credit card account. Due to the exchange rate used, the consumer was charged a higher amount than the amount at which the item was initially displayed.

As indicated above, losses consumers sustained due to exchange rate fluctuations constituted the second major cause for currency exchange-related complaints lodged with ECC-Net. For instance, the problem may concern consumers who are resident in Euro zone countries, buying from UK-based web traders. On the day the purchase is processed, the consumer's payment card is debited the equivalent euro amount as per the exchange rate on that day. Later, if the refund is made, the trader will issue the refund for the same sterling amount

paid. However, if the currency conversion rate has changed, the euro amount the consumer receives may be different. European consumer legislation does not make any provision for reclaiming any loss consumers may sustain from having used foreign currency. It must also be taken into account that currency conversion can work both ways and at another time the amount refunded could work out to be greater than the original amount.

4.7 Methods of payment

ECC-Net receives questions concerning safe shopping and payments on the internet from consumers on a daily basis. The rise of e-commerce including m-commerce has enabled new ways of making payments for consumers. e-commerce is the dominant selling method when looking at complaints encoded in the IT-Tool⁴⁵ (57% including internet auctions). In light of this, safety and redress for payment services are important.

According to a public consultation from the European Commission on the future of electronic commerce, payments have been identified as one of the main barriers to the future growth of E-commerce. The related key issues include the diversity of payment methods across Member States, the cost of payments for consumers and traders (especially for low-value payments), and payment security.⁴⁶

⁴⁴ <http://www.paysquare.nl/en/cmsfiles/Document/Attachment/134.pdf>

⁴⁵ The quantitative data was collected from the IT-tool, which was developed by the European Commission for use by the ECC's in the logging of all cases.

⁴⁶ Green Paper, Towards an integrated European market for card, internet and mobile payments COM(2011)941, p. 5.

The way goods and services are purchased is radically changing. Unlike traditional trade involving face to face payment, trade conducted electronically is largely based on distance electronic payments. The most common form of payment for E-commerce transactions is through a credit or debit card. New technologies include a digital wallet (or e-wallet) enabling internet users to

access their banking information so they can use it to withdraw funds from their accounts when making online payments, and e-cash, enabling internet users to deposit funds into the other payee account linked with their personal bank/credit card account, or using a centralized system, such as PayPal, to make payment by requesting a transfer to the other payee account.



4.7.1 Secure payments

Consumers should be aware of three important factors in relation to secure payments:

1. The trader's site needs to be secure. The payment details already provided should not be available to unauthorised people. Consumers have limited means of checking this and often the only way of doing so is to look for trust signs or the mention of protection measures being used.
2. The device from which the payment is made must be secure. This is achieved through the use of antivirus and firewall software.
3. The connection between the consumer's device and the trader's site must be encrypted so that no one can view the information.

An encrypted connection is achieved through the use of HTTPS⁴⁷ which is a combination of HTTP and an additional encryption layer.

The consumer can check if the connection is encrypted by looking at the first part of the URL;⁴⁸ if it says "https" the connection is encrypted, if it says "http" the information is sent in clear text. In many browsers this information is also denoted by a figure of a closed padlock beside the URL.

The Mystery Shoppers reported that in 84% of the purchases, it was clear whether the site was secure⁴⁹ or not.⁵⁰ This is a noticeable improvement from 2003 when 39% of traders failed to give adequate information or proof regarding their security practices.⁵¹

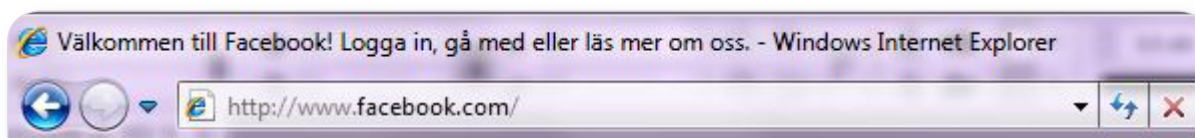


Figure 4.3 An unencrypted connection.

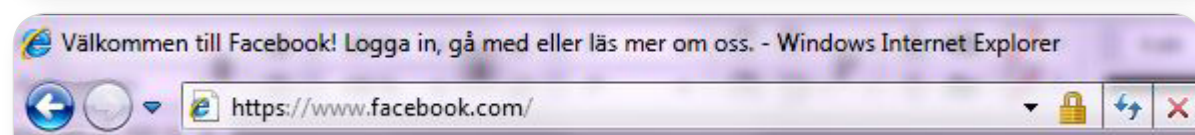


Figure 4.4 An encrypted connection.

⁴⁷ Hypertext Transfer Protocol Secure.

⁴⁸ Uniform Resource Locator.

⁴⁹ Currently, the most commonly used protocol for web security is SSL, or Secure Sockets Layer. In addition to providing security for HTTP (web hypertext) transactions, SSL works with other TCP/IP standards such as IMAP mail and LDAP directory access. For a security standard such as SSL to work, your browser and the web server must both be configured to use it. <http://kb.iu.edu/data/ahuq.html>

⁵⁰ Online Cross-border Mystery Shopping – state of the e-union, the European Consumer Centres Network, September 2011 p. 19, available at http://ec.europa.eu/consumers/ecc/docs/mystery_shopping_report_en.pdf

⁵¹ "Realities of the European online marketplace. A cross-border E-commerce project by the European Consumer Centre's Network 2003 p.17, available at http://ec.europa.eu/consumers/redress/ecc_network/european_online_marketplace2003.pdf

4.7.2 Charge-back

Despite the popularity of online payments the available protections for payment service users are not well known to the consumer. A charge-back is the practice of forcefully recovering funds from the recipient by a payment service provider. A charge-back can be initiated on the basis of law or contractual obligations. The payment services directive⁵² deals with two specific charge-back situations;

- a)** transactions made without authorisation and
- b)** transactions made without the user knowing the amount of the transaction.

The payment services directive does not deal with intent when it comes to erroneous or fraudulent transactions. It only looks at whether or not the transaction is authorised or if the consumer was aware of the exact sum.

Charge-backs based on contractual obligations are often used in situations of non-delivery. These obligations stem from the contract the consumer has with the payment service provider(s); this can be a bank, an intermediary (VISA, MasterCard, Euro card, Diners, American Express etc.) or another payment facilitator. The method of payment most likely to include protection against non-delivery is the credit card, but protection is also available to some extent with other payment methods.

The payment services directive gives the payment service user a time limit of thirteen months to notify the payment service provider of the error. For charge-backs based on contractual obligations the time limit is often much shorter.

The ECCs in Denmark, the United Kingdom, and Sweden have mentioned another type of national consumer protection law.⁵³ These laws give consumers the right to demand the same redress from the credit provider as the consumer would be able to demand from the merchant. This protection is very beneficial in cases where the merchant declares bankruptcy.

A number of ECCs have reported that consumers have difficulties obtaining a refund from the credit card company, unless they can clearly prove that fraud was involved. Regardless of whether the charge-back option is provided by the contract with the credit card issuer or by national law, consumers always have to turn to their credit card provider first in order to receive a refund. In the event that the credit card provider refuses to refund the consumer, the question of how the charge-back option is regulated becomes relevant. If the charge-back option is provided under the contract with the credit card provider, the consumer may only file a claim individually at an ADR body or court. If the charge-back option is provided under national law, the consumer may either file a lawsuit individually or can turn to a national enforcement body.

⁵² Payment Services Directive, 2007/64/EC.

⁵³ Payment Service Act in Denmark and Consumer Credit Act in Sweden and UK.

4.7.3 M-commerce

Whilst ECC-Net received a relatively low number of complaints relating directly to m-commerce, given that the ability to conduct commerce using a mobile device has gained increasing acceptance amongst both users and retailers, ECC-Net expects to receive complaints and information requests concerning this type of business in the near future.

While payment cards are still the most frequently used electronic payment instrument for retail payment, the volume of payments made through mobile phones (m-commerce) makes it the fastest growing payment method.⁵⁴ Consumers have vastly increased expectations of the range of services their mobile phones can provide, and they currently use them for services far beyond the traditional phone calls and texts. Consumers turn to their smart-phones and other mobile devices to conduct mobile shopping and pay for a wide range of goods and services, e.g. music, ring tones, transportation fares, books, and clothing. As research carried out by the Mobile Entertainment Forum illustrated⁵⁵ more than 90% of people in the UK had engaged in m-commerce and more than nine of ten Britons use their mobile phones to either research or make new purchases.

Mobile payments can be classified as “contact-less” or “remote” payments.⁵⁶ The former take place mostly at the point of sale and require specifically equipped phones which can be recognised when waved near a reader module.



The payment can be deducted from a pre-paid account or charged to a mobile or bank account. In case of the latter, the transaction is conducted over telecommunication networks such as GSM or the internet and can be made independently of the payer's location. Payment through the internet is mostly based on card payment schemes, but also on credit transfers or direct debits.

The need for mobility and the rapid proliferation of smart-phones and other mobile devices have contributed to an increasing number of users engaging in m-commerce. Convenience and accessibility are the most compelling attributes of m-commerce. Mobile payments provide consumers with ubiquitous purchase possibilities, giving them the ability to place and pay for orders independently of time and location. However, a lack of confidence may prevent or discourage consumers from engaging in m-commerce.

⁵⁴ Green Paper: “Towards an integrated European market for card, internet and mobile payments”, p. 5.

⁵⁵ <http://www.telegraph.co.uk/technology/mobile-phones/8622742/Nine-out-of-ten-use-mobiles-for-shopping.html>

⁵⁶ White Paper: Mobile payments, 1st Edition; European Payment Council, p. 25, available at http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC492-09%20White%20Paper%20Mobile%20Payments%20version%203.0.pdf

As studies suggest,⁵⁷ lack of consumer-perceived security and trust in vendors and payment systems is one of the main barriers to electronic and mobile trade. Therefore in order to benefit fully from m-commerce, consumers must be able to use a secure, transparent, and cost-effective payment method.

4.8 Minors

Four centres reported an increase in the number of complaints concerning minors. The use of mobile phones or internet accounts by underage users to conduct commercial transactions was a frequent cause of consumer complaints in 2010 and 2011, continuing a trend indicated by the previous E-commerce Report.⁵⁸

Minors lack capacity to enter into a contract and if they do, on the basis of the national contract laws the contract is generally considered voidable. It is the experience of ECC-Net that this does not prevent them from engaging in transactions using their parents' payment cards and online accounts or devices that are part of a contract entered into by their parents. Underage users purchase goods and services online or participate in online sites requiring payment (e.g. gambling websites) yet they often do not understand the charges or ask for parental permission. Using mobile phones to purchase games, music, and other digital content is the payment method to which minors seem to be particularly attracted.

A Polish consumer received a 5,600 PLN (approx. 1,330 EUR) bill after her underage son used her mobile phone without her permission and purchased special points to enable him to participate in an online game.

Even if the parents may not be in a position to supervise their children's online commercial activities at all times and purchases are made behind their backs, parents may be held liable for commercial transactions conducted by their children. A computer or any other device has no mind of its own to determine the age of the contracting parties, therefore unsupervised E-commerce and M-commerce shopping can result in minors running up substantial charges on their parents' credit card account and also expose adults to card fraud.



⁵⁷ Public consultation on the future of electronic commerce in the internal market and the implementation of the Directive on electronic commerce (2000/31/EC), available at http://ec.europa.eu/internal_market/consultations/2010/e-commerce_en.htm

⁵⁸ The European Online Marketplace: Consumer Complaints 2008-2009, p. 24.

A Finnish consumer's 11-year-old son used his mobile phone to avail of a service, not realising that he had entered into an expensive ongoing arrangement with the trader whereby he would receive text messages. The cost of the service amounted to over 1,000 EUR. The consumer refused to pay and requested the cancellation of the contract. However, the trader continued to demand the payment of the outstanding balance and soon after the consumer faced a debt collector's action.

A Swedish consumer allowed her children to use her iPad to play an online game, not realising that the game allowed participants to choose and purchase virtual pets. The consumer soon discovered that the amount of nearly 3,500 EUR was debited from her credit card account.

One new trend amongst E-commerce companies is the use of a separate computer or account to inform the credit card holder that the card has been used for an order. This is a welcome initiative, designed to make consumers more aware of the effects of sharing their personal data.

4.9 Bankrupt companies

Bankruptcy is the legal status of an insolvent person or an organisation, that is, one that cannot repay the debts it owes to its creditors. In most jurisdictions, bankruptcy is imposed by court order and often initiated by the debtor.⁵⁹

Consumers are rarely refunded by bankrupt traders, as they are considered 'unsecured creditors' and usually rank quite lowly in the list of those to whom money is owed. In an individual case ECC-Net may inform a consumer about the procedures for submitting a claim to a trustee or liquidator. More than 20 ECCs reported receiving complaints from consumers relating to bankruptcy of traders. Most of the cases are concerned with non-delivery of the various products (vouchers, tickets to concert/sport events, guided tours, cosmetics, perfumes, clothes/garments, shoes, furniture/furnishing, domestic electric appliances, etc.). It means that consumers order the goods, process the payment and receive confirmation about the purchase and delivery. However, traders fail to deliver the goods within specified time limits and do not reply to any consumer query about the order. Finally, consumers find out that the trader has ceased operations due to a bankruptcy procedure. Consumers are usually advised to turn to the liquidator dealing with the bankrupt trader and to file a creditor's claim. This places them on the list of creditors but they must be prepared for a lengthy procedure.

In general, when a trader or company goes out of business, consumers are at greater risk of suffering a loss if they have paid for goods or services that have not been delivered.

⁵⁹ <http://www.merriam-webster.com/dictionary/bankruptcy>

According to research carried out by the Irish National Consumer Agency, consumers can suffer financial loss in four main ways when a company goes out of business:

- They have paid in full for a product to be collected/delivered at a later date
- They have paid a deposit on a product
- They bought gift vouchers or gift cards from the company
- They discover that the product is faulty

There are a number of things consumers can do to protect themselves from being affected by a company's closure:

- If possible, pay by credit card or by debit card as you may be able to ask the card provider to reverse the transaction using a chargeback
- Check with the trader as to how long it will take for the goods to be delivered before placing a deposit or making a payment
- Do not pay in full for items if there is a long delivery period
- When goods are delivered, check them immediately for possible faults and make sure they are the items which have been paid for
- Use gift vouchers or credit notes quickly
If a business becomes insolvent and consumers have an unused gift voucher or credit note, they will be treated as an unsecured creditor under the insolvency process

A Latvian consumer ordered cosmetics at a cost of 99,54 GBP (around 124 EUR) from an online trader in the United Kingdom. Despite paying for the products, the consumer never received the items. The consumer tried to contact the trader, but the trader did not respond to the consumer's

e-mails and the website of the trader closed down. The consumer turned to ECC Latvia to ask for assistance to get her money back. ECC Latvia forwarded the case to ECC UK, who informed them that the trader was insolvent and had entered into liquidation. ECC UK provided the contact details of the liquidator to which the consumer could send her claim.

An Austrian consumer bought a voucher on e-Bay for a spa resort in Italy from an Italian tour operator. The consumer wanted to cash the voucher, but received a message from the spa resort that due the tour operator (who issued the voucher) had gone bankrupt. As a result, the business relationship between the spa and the tour operator has been severed and the vouchers were not valid. The consumer was redirected to the district court of Bolzano in order to file his claim.

Enquiry received by ECC Norway. A consumer purchased a camera about 19 months ago, with a two year warranty. He had it repaired twice, but the problem reoccurred. The consumer contacted the Danish Consumer Council and was told that he had a legal right to rescind the purchase. However, the shop from which he purchased the camera had gone bankrupt. He sought advice as to his rights, given the situation.

A consumer bought some spare parts for a motor. The consumer paid by credit card but never received the goods. After attempting to contact the trader, the consumer was told to exchange one piece for another and to pay the difference. The consumer did so, but received no more news from the trader. It transpired that the trader had gone into liquidation and the consumer was advised to file a claim directly with the liquidator.

4.10 Privacy

Privacy and data protection are greatly important in E-commerce as we need to be assured that companies are handling our personal information in the right way. Concerns about the consumer's personal data are one of the reasons consumers refrain from engaging in E-commerce. This issue is specific to the online environment and is not regarded as creating specific barriers for consumers or traders when engaging in cross-border trade.⁶⁰

Personal data is any information relating to an individual, whether it relates to his or her private, professional, or public life. It can be a name, a photo, an email address, bank details, posts on social networking websites, medical information, or a computer's IP address. In the digital age, the collection and storage of personal information is essential.

Attitudes towards data protection show that:⁶¹

- 58% of Europeans feel that there is no alternative other than to disclose personal information if they want to obtain products or services.
- 79% of those using social networking and sharing site are likely to disclose their name, 51% their photo, and 47% their nationality. Online shoppers typically give their names (90%), home addresses (89%), and mobile phone numbers (46%).

- Only a third of Europeans are aware of a national public authority responsible for protecting their personal data rights (33%).
- Just over a quarter of social network users (26%) and even fewer online shoppers (18%) feel that they are in complete control of their data.

It follows that consumers need to be more aware of potential risks concerning data storage and how this affects their lives. In several countries initiatives have been taken to promote this awareness amongst consumers. For instance, the Dutch digital rights organisation Bits of Freedom focuses on raising awareness of privacy and communications freedom in the digital age.⁶² The organisation strives to influence legislation and self-regulation, on a national and a European level. They are one of the founders and a member of European Digital Rights (EDRi).⁶³

The right to the protection of personal data is explicitly recognized by Article 8 of the EU's Charter of Fundamental Rights⁶⁴ and by the Lisbon Treaty.⁶⁵ The Treaty provides a legal basis for rules on data protection for all activities within the scope of EU law, under Article 16 of the Treaty on the Functioning of the European Union.⁶⁶

⁶⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Cross-Border Business to Consumer E-commerce in the EU, p. 2.

⁶¹ Special Eurobarometer 359. Attitudes on Data Protection and Electronic Identity in the European Union, June 2011.

⁶² Website Bits of Freedom: <http://www.bof.nl>

⁶³ Website of European Digital Rights: <http://www.edri.org/>

⁶⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=oj:c:2007:303:0001:0016:en:pdf>

⁶⁵ <http://eur-lex.europa.eu/JOHtml.do?uri=oj:c:2007:306:som:en:html>

⁶⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=oj:c:2008:115:0047:0199:en:pdf>

It is important that consumers check if a company with which they are considering engaging has privacy statements on their website that explain the company's procedure for handling personal information. It should state how the company handles information safely, if it sells information to third parties, or has systems to prevent the information being used in an illegal way.

The company should also allow the consumer to decide whether or not the personal information may be passed on to other companies. Consumers are advised to read the policy and decide if they want to leave their personal information. They may also check for additional information about privacy issues, such as a tick box for a mailing list, preventing passing information to others, and information on cookies.

In 80% of the purchases made by Mystery Shoppers and mentioned in the ECC-Net report,⁶⁷ there was a privacy policy available, meaning that a consumer received information on what was done with his or her personal details.

Where a privacy policy was available, it was sometimes hard to find the information. This is, however, an improvement on the 2003 report⁶⁸ where "additional information on privacy" was available in only 54% of the purchases. In only 57% of the purchases, the trader offered information on passing the information on to third parties.

In January 2012, the European Commission proposed a comprehensive reform of the EU's 1995 data protection rules in order to strengthen online privacy rights and boost Europe's digital economy.⁶⁹

Individuals must retain effective control over their personal data in this fast-changing environment. This is a fundamental right for everyone in the EU and must be safeguarded. The new rules will ensure that everyone receives clear and understandable information on how their personal data is processed. Whenever a consumer's consent is required, it will have to be explicitly given before a company can process their personal data.



⁶⁷ Online Cross-border Mystery Shopping – State of the E-union, the European Consumer Centers Network, September 2011, p. 19.

⁶⁸ Realities of the European online marketplace. A cross-border e-commerce project by the European Consumer Centre's Network, (2003) p.25, available at http://ec.europa.eu/consumers/redress/ecc_network/european_online_marketplace2003.pdf

⁶⁹ Commission proposes a comprehensive reform of data protection rules to increase users' control of their data and to cut costs for businesses. Reference: IP/12/46. Date: 25/01/2012.

New, clearer rules for the free movement of data will help businesses grow within a trustworthy and reliable data protection framework.⁷⁰ EU rules must apply if personal data is handled outside the Union by companies active in the EU market and who offer their services to EU citizens. It is important to have transparency and easy-to-understand information about how our data is handled, especially for minors as they have a different approach to using the

internet and social sites in comparison with adults, parents and elderly people. Businesses and organisations need to inform consumers about potentially adverse data breaches without undue delay and must also notify the relevant data protection authority. Better data protection rules and enforcement means that consumers can be more confident about how their personal data is treated online, thereby increasing confidence in online services and new technologies.



⁷⁰ Commission proposes a comprehensive reform of data protection rules to increase users' control of their data and to cut costs for businesses. Reference: IP/12/46. Date: 25/01/2012.

5. Fraud



Fraud is an intentional deception, done for personal gain or for the purposes of damaging another individual. Fraud is a crime and a violation of civil law.⁷¹ Internet fraud refers to the use of internet services, such as chat-rooms, e-mails, message boards or websites and even software⁷² to defraud victims or to otherwise take advantage of them. For example, providing fraudulent information about and stealing personal information can lead to identity theft.

ECC-Net receives many reports of fraudulent actions from consumers. The most common products fraudulent traders offer are second hand cars, designer clothes and accessories, electronic products (mobile phones and laptops), and recreational and cultural services such as tickets for entertainment events. Scammers have only one intention - to defraud the consumer and take as much money as possible. Scammers seek to appear credible to consumers, and create a website which at a first glance seems to be reliable and with a long history.

Consumers are lured with low prices or very attractive offers. Communication with scammers is usually prompt. Their victims are regularly asked to make payment via money transfers. At the very moment the consumer makes the payment, illegitimate traders disappear and fail to deliver the products ordered or refund the consumer.

5.1 Buying and selling of second hand cars

When buying a second hand car consumers often search for the best deals on the internet, even internationally. This can lead consumers to choose an offer which might be too good to be true and thus be led into a scam more easily.

⁷¹ <http://www.merriam-webster.com/dictionary/fraud>

⁷² <http://www.britannica.com/EBchecked/topic/130595/cybercrime/235701/Internet-fraud>

Research indicates that second hand cars and electronic products are most commonly subject to fraud throughout ECC-Net.⁷³ It should be noted that an ECC's competence in the event of fraud is limited. In such cases consumers are always advised to turn to the police or criminal enforcement authorities. Twelve ECCs declared that they were in close collaboration with police forces.

A typical example of fraud would be as follows:

ECC Austria and other ECCs reported that consumers regularly contact them regarding purchase offers for second hand cars from the UK. The traders offer cars with favourable prices on Internet sales pages. The low price of the car is often explained by the move to the UK and the need to sell the car, since the steering wheel is on the wrong side. The seller proposes to use a transport company for transport of the car and to act as an escrow. At least half of the agreed price shall be paid to the transport/escrow company. The seller offers to transport the car to the buyer's town, and the buyer is entitled to check the car and make the final decision of the purchase on the premises. The low price is enticing and the possibility to have the car studied before purchase and to involve the escrow in the affair lulls the buyer into a false sense of security.

ECC Sweden received many information requests about selling a car on a sales page on the internet. In this case the buyer was the fraudulent person. Often a person sends an SMS – 'E-mails can't go through the sales pages spam filter' - to the private seller and negotiates a price for the car. The buyer wants to pay via PayPal and hire a transport firm to deliver the car. The buyer sends a PayPal-receipt to show that the money has been transferred. Then the buyer argues that the seller has to transfer money for the delivery since the transport company only accepts an order from the owner of the car. The seller then finds out that the PayPal receipt⁷⁴ is bogus.

ECC Austria collected several simple complaints about selling cars via the internet, mostly from the UK. The problem description is the same as above, but in these cases the consumer, who is acting as a seller, receives an invalid/bad cheque from the fraudulent buyer.

5.2 Fake web traders and counterfeit products

Shopping online offers consumers greater choice and value and in recessionary times, when saving money is more important than ever, many consumers turn to online traders to

⁷³ Response to ECC-Net E-commerce Questionnaire, Annex V.

⁷⁴ Many phishing emails have links which look valid, but send you to a fake site. Always check by reading where a link is going before you click: move your mouse over the URL in the email and look at the URL in the browser. As always, if it looks suspicious, don't click it. Open a new browser window and type the URL (e.g. www.paypal.co.uk).

The following link provides information from PayPal with images that explain further.

<https://www.paypal-marketing.co.uk/safetyadvice/LearnMoreAboutFraud.htm>

source branded goods at knock-down prices. In some instances however, consumers' desire for a bargain may leave them vulnerable to fraud. If a trader claims to have a full range of 'must-have' products at rock bottom prices, how likely is it that these products are genuine?

It can be easy to clone the website of a legitimate trader and offer branded items at very low prices. Consumers contact the trader, who requests payment by money transfer or by electronic fund transfer directly into the trader bank account. Sometimes consumers are offered significant discounts to make payment in this manner rather than using secure methods of payment, such as a credit card. Once the consumer has paid for the goods, they either never arrive or turn out to be counterfeit.

Counterfeit goods may seem like a bargain but they can pose a real risk to safety and health. Poor quality electrical goods can cause fires and electrocution while fake cosmetic products may not meet the relevant safety standards. The sites that sell these counterfeit goods can be run by criminal gangs and ordering from them exposes consumers to the risk of their credit card being compromised.

Most ECCs reported in the response to the questionnaire that they received complaints from consumers relating to counterfeit goods, with clothing and perfume the most common items complained about. In some cases reported, the consumer did not receive the goods as they were seized by customs on entry into the European Union. In a number of cases consumers who had ordered these items received letters from the holder of the copyright infringed by the counterfeit items, requesting damages.

A Maltese consumer ordered a designer perfume online but when the perfume was delivered he suspected that it was not an original as promised by the seller. In order to compare the product, the consumer went to a shop in Malta which sells designer perfumes and bought an original one. The consumer then came to ECC Malta with the two bottles. The consumer had paid for the product through a payment service provider, and thus ECC Malta advised him to file a claim with the payment service provider. They assisted the consumer by making a report describing the differences that they had noted between the two bottles of perfume. The consumer submitted the report to the payment service provider and he received a refund.

5.3 Animal rescue

From the responses to the questionnaire, a new kind of fraud involving the purchase of pets seems to be emerging. Cases of this kind are reported by ECC Poland, ECC Estonia, and ECC Austria. Consumers find internet offers of puppies or kittens, whose owners have died and who are being given away for free. If the consumer agrees to take the pet there will follow letters saying that the consumer has to pay for airport storage charges and transport fees in order to receive the pet. Until the money transfer is made, the pet is waiting in the airport without any food or care. Another version is the purchase of a pet which then has an accident before transport and requires additional expensive medical care. In some cases an animal transport agency in Cameroon is involved.

5.4 Fraudulent escrow companies

Escrow generally refers to money held by a third-party on behalf of transacting parties.⁷⁵

The escrow company holds the buyers' money until the delivery of the ordered item is completed. The consumer often feels more secure using an escrow company for transactions with unknown traders. Escrow companies are commonly used in completion of person-to-person remote auctions, such as eBay. Internet escrow is one of the developments allowing confidence to be established in the online sphere, since an independent party holds the money until the transaction has been completed. If it comes to a dispute between the parties in the transaction, the escrow company often offers to take the matter to dispute resolution. The outcome of the dispute resolution process will decide what happens with the money in escrow.

Fraudulent companies, however, may set up fake escrow companies. In these cases, the consumer makes a payment to the escrow company, the trader fails to deliver, and the escrow company does not make a refund of the down payment. In some cases, the consumers are asked to pay into the private bank account of the person claiming to be the director of the escrow company.

In the example of the purchase of a second hand car, the buyer or seller and the fraudulent escrow company work together and may be started by the same person. The transport company's website looks quite reliable, but it is a fake. In other cases the buyer on an internet auction site provides false receipts of payment to an escrow company.

ECCs cannot deal with criminal cases, even if it violates civil law also, since the ECC's work is based on communication with traders. As a second stage, the ECC can assist by transferring the case to an ADR. The outcome of a complaint often depends on the traders' cooperation. In some ADR cases, the traders are not bound to participate in the ADR procedure, while in other cases the decision is a recommendation without any sanctions for traders who do not follow the ADR decision. Consumers affected by fraud are advised to turn to the police.



⁷⁵ <http://www.encyclo.co.uk/define/escrow>, <http://www.britannica.com/EBchecked/topic/192424/escrow>

5.5 Prevention of fraud through cooperation with the police

Some ECCs co-operate with the police by reporting fraud.

- ECC Bulgaria and the police cyber crimes unit made an agreement on cooperation by referring cases and preparing brochures on prevention.
- ECC Finland is a member of a fraud fighting network, which works mostly as a source of information on new developments in consumer fraud.
- ECC France cooperates with stakeholders against cybercrime following a conference in 2010, which was organised in cooperation with ECC Germany and the host organisation on “Cybercrime – how does Europe protect its consumers”. In 2011 they had informal contacts with Together Against Cybercrime (TAC) and organized the EURODIG hub together, also in cooperation with ECC Germany and the police in Offenburg. ECC France participated in the conference “Les cyber menaces à l’horizon 2020” which took place in Strasbourg in 2011. They had an informal meeting with the police judiciary of Strasbourg and have contacts concerning car purchase frauds in the Kehl region.
- ECC Italy had a meeting with the Postal Police - a branch of the Italian State Police - who have jurisdiction over crimes committed via the internet, resulting in the exchange of informal information about suspicious websites, e-mails, and potential new scams that affect consumers.
- ECC Sweden is a member of a network to combat counterfeiting /piracy together with the International Public Prosecution Office (National Intellectual Property Crime Unit), Patent and Trademark Office (Design and Trademark Department), Swedish Police, Swedish Companies Registration Office, Swedish Customs (Law enforcement) and Medical Products Agency.
- ECC UK cooperates with SOCA (Serious Organised Crimes Agency).
- ECC Netherlands cooperates with the Dutch Fraud helpdesk and played an active part in the Mass Marketing Fraud Conference held in Amsterdam in 2011.
- ECC Austria forwards victims of fraudulent online-actions to the special registration office of the Austrian Police “Against Cybercrime”. This department was created specially in the wake of an increasing number of online scams in Austria.
- ECC Luxembourg exchanges information with the police and participates in fairs with a common stand.

Afterword

Consumers are becoming more confident in e-commerce. Research indicates that consumers are constantly encountering the same problems in this area. It follows that measures to reduce the instances of these problems should be applied further. Such measures include communicating with traders and informing them of consumer rights, while also educating consumers as to their rights and obligations when entering into an online contract.

Web traders often point out the lack of clarity in certain legislative provisions. It is hoped that increasing law enforcement by the CPCs and the Consumer Rights Directive will boost the confidence of both consumers and traders in cross border E-commerce. Cooperation between ECC-Net and other networks and enforcement bodies is vital to improve the enforcement of cross border consumer rights.



To take an active part in this process, ECC-Net makes the following recommendations:

- There is a need to update and further develop Howard – The Online Shopping Assistant, managed by ECC Denmark. It is an interactive online tool that makes it easier for consumers to shop safely on the Internet. The tool allows consumers to input the name of any website and review information about that site before they make an online purchase.
- ECC-Net should be actively associated in the development of Online Dispute Resolution platforms.
- ECC-Net should actively cooperate with different trade organisations representing online retailers such as the European Multi-channel, Online Trade Association (or EMOTA) and E-commerce Europe, for instance in joint campaigns, seminars/conferences, information material (such as Annex II), and links to ECC-Net on their members' web sites etc.
- More traders should use reliable trademarks as this might help improve consumer confidence in E-commerce by indicating that the trader has an ethical code of conduct and respects ADR scheme recommendations. The reliability of a Trustmark should however be independently assessed.

1. Know who you are dealing with

- Try to shop on a familiar or recommended site and make sure you have the name and full contact details, including postal address, of the web trader so you know who you are dealing with. Do not rely on just an e-mail address or a post officebox.
- Don't assume that a website is based in the country indicated by its web address e.g. '.ie' does not necessarily mean the website is based in Ireland.
- Remember: If you shop from websites based outside the EU your European consumer rights will not apply and you may face unexpected customs and tax bills!

2. Do your homework

- Beware of sites that have only recently been set up. Fraudulent sites come and go very quickly.
- Always research the background of unfamiliar web traders before purchase. A simple internet search should reveal any negative feedback about the trader left by other consumers but be aware that some unscrupulous traders may also leave false positive feedback about themselves, especially on their own websites.
- Web based fraudsters may also pay for search advertising so that their sites appear at the top of search results. Don't be fooled by a prominent search engine ranking.

3. Pay Safely

- Never send cash or use a money-wiring service because you will have no recourse if something goes wrong. You usually enjoy more protection if you use a credit card.
- Make sure you use a secure website to enter credit card information. Look for a closed padlock symbol in the bottom right of the browser window and for the website address to begin with "https://".
- Make sure your computer has up-to-date anti-virus software and a firewall installed.

4. Avoid Scams

- Never, ever, reply to unsolicited emails (spam) and be careful when clicking links in emails to avoid potential threats such as phishing.
- Watch out for tell tale signs of scams: promises of huge rewards such as lottery winnings, messages stating urgent action is required to claim your winnings, and requests for upfront payment or private information. Be sceptical of all unsolicited contact and remember if it sounds too good to be true, it generally is.
- Do not disclose personal information that is not necessary to complete a transaction. Certain personal details, combined with your credit card number, could lead to identity theft!
- Avoid buying counterfeit goods. Such products are often dangerous or of poor quality and it can be very difficult to get redress should something go wrong. Bear in mind the sale of fake goods is illegal and is often linked to organised crime.

5. Understand your commitment

Always read the small print and know exactly what you are agreeing to before going ahead with the contract. In particular, ensure you are aware of the trader's cancellation and returns policies.

Use the Howard Online Shopping Assistant tool available on the websites of ECC-Net to find out when, and where, a website was registered and other background information.

If things go wrong....

- Make a complaint to the web trader in writing.
- Make screenshots during the selling procedure in order to keep records of all steps that have been taken.
- Keep copies of all correspondence exchanged and screenshots of anything unusual.
- If you receive no satisfaction from a trader located in another EU country or Norway and Iceland, contact your nearest ECC for further advice and assistance.

If you sell products or services to consumers through a website you must meet certain legal obligations. These rules apply whether you are a large established company or just starting out. They may differ according to the country of residence of the consumer so you should be aware of national laws!

These obligations include:

1. General requirements under consumer law

- Products or services must be of a certain standard.
- Descriptions of and details about the item or service must be true.
- If a product is faulty, consumers can request a repair, replacement, or refund up to twenty-four months from the date of purchase.

In addition to your obligations under consumer law, specific rules apply to distance selling (where you take orders remotely from consumers, be it from your website, email, phone, or fax).

2. Distance selling rules

- Apply to business to consumer transactions.
- Specify that certain information must be given to consumers before the contract is enforceable.
- Allow consumers to cancel orders within a specific period, and require you to inform them how they can do this.
- In online sales a cooling off period is a major requirement of consumer legislation. Directive 97/7/EC gives consumers at least seven working days to cancel their orders without a reason. The length of the cooling off period differs between the Member States and some Member States gives up to 15 days to cancel the order. The consumer is obliged only to pay for the cost of returning the goods. The cooling off period does not apply to customised products, perishable goods, and accommodation for specific dates. **See page 25, Figure 4.1** Overview per country of cooling off period and the contractual party who covers the return costs.

3. Information requirements

Your ordering and delivery process must give visitors information about:

- Your business, including full contact details.
- Their order.
- The delivery costs involved.
- How to cancel.

4. Data protection

Traders have obligations to protect their consumers' data. You will need a privacy statement if you collect personal data such as in order forms, feedback forms etc. by using cookies or other tracking devices, or via users' IP or email addresses.

List of institutions responsible for registration

Annex III

The table below lists national institutions responsible for the registration of legal entities or websites on which consumers can check whether a business is registered by entering the trader's name or other data.

Country	Institutions, responsible for registration	Website language	Fee for basic trader contact details	Fee for downloading documents with detailed information
Austria	The Federal Ministry for Economy, Family and Youth is hosting the Central Trade Register, http://www.bmwfj.gv.at/Unternehmen/Gewerbe/Seiten/ZentralesGewerberegister.aspx	German	Registration necessary, use of sources not free of charge.	
Belgium	Banque Carrefour des entreprises / Kruispuntbank voor Ondernemingen http://kbopub.economie.fgov.be/kbopub/zoekwoordenform.html?lang=fr Moniteur Belge / Belgische Staatsblad http://www.ejustice.just.fgov.be/cgi_tsv/tsv.pl	French and Dutch	Free of charge	
		French and Dutch	Free of charge	
Bulgaria	Registry Agency, www.brra.bg	Bulgarian	Free of charge	
Cyprus	Department of Registrar of Companies and Official Receiver, http://www.mcit.gov.cy/dcor	Greek and English	€8.54 for inspection of a company file	<u>Unknown</u>
Czech Republic	County courts, www.justice.cz	Czech (English partially available at http://www.info.mfcr.cz/ares/ares.html.en)	Free of charge	
Denmark	The Danish Business Authority, www.cvr.dk	Danish (partly in English)	Free of charge	€0.80 €67.00
Estonia	Central Commercial Register, www.rik.ee	Estonian and English	€0.63 (+ VAT 20%)	€1.59 (+ VAT 20%)
Finland	National Board of patents and registration of Finland, http://www.prh.fi/en.html http://www.ytj.fi/english/	Finnish, Swedish and English	€4.92 incl. VAT	Unknown
France	Registre du Commerce et des Sociétés, www.infogreffe.fr	French and English	Free of charge	Different fees. Full file: €78.13; individual document between €1.55 and €10
Germany	Gewerbeamt; Handelsregister (Amtsgericht); Berufs-Kammern, www.handelsregister.de www.unternehmensregister.de	German, French, English, Spanish and Italian	Free of charge	Fees start at €1.50
Hungary	Company registry operated by Company Courts (cégbírószág) within the organisation of County Courts (Törvényszék), www.e-ceggyezek.hu	Hungarian	Electronic version is free of charge, 5000 HUF if requested on paper as official document	Electronic version is free, of charge, 7000 HUF if requested on paper as official document
Iceland	FYRIRTÆKJASKRÁ – Ríkisskattstjóri, http://www.rsk.is/fyrirtaekjaskra Info on company registration: http://www.rsk.is/fyrirtaekjaskra/skrakt/skra	Icelandic	Free of charge	€4 in Icelandic, €6 in English
Ireland	The Companies Registration Office, www.cro.ie	English and Irish	Free of charge	€3.50

Country	Institutions, responsible for registration	Website language	Fee for basic trader contact details	Fee for downloading documents with detailed information
Italy	Camere di Commercio (Chambers of Commerce) keep the “Business Register ” “registro delle imprese”, www.registroimprese.it	Italian (upon request in English)	Free of charge	Different fees. A report for a capital company €5
Latvia	Register of Enterprises, www.lursoft.lv	Latvian and English	Free of charge	Fees are not higher then LVL 14 (€20).
Lithuania	State Enterprise Centre of Registers, www.registrucentras.lt	Lithuanian and English	Free of charge	€7
Luxembourg	Registre de Commerce et des Sociétés Luxembourg www.rcsl.lu	French and German	Free of charge	Price list available at: www.rcsl.lu
Malta	Malta Financial Services Authority (MFSA) www.mfsa.com.mt	English	Free of charge	Different fees
The Netherlands	Kamer van Koophandel, www.kvk.nl www.kvk.nl/english/traderegister/005_Access_to_the_trade_register/searchingthetraderegister/010searchingthetraderegister38213.asp	Dutch (partly in English)	Free of charge	Fees start at €2.50.
Norway	Brønnøysundregisteret, The Brønnøysund Register Centre, http://www.brreg.no	Norwegian and partly in English. The European Business Register is available in English	Free of charge	Different fees
Poland	Polish National Court Trade Registry http://krs.ms.gov.pl/login.aspx?ReturnUrl=%2fDefault.aspx Central Registration and Information on Business https://prod.ceidg.gov.pl/CEIDG/CEIDG.Public.UI/Search.aspx	Polish	Free of charge	Impossible to obtain this information online
		Polish and English	Free of charge	
Portugal	Instituto de Registos e Notariado - Conservatória dos Registos Centrais, Registo Nacional de Pessoas Colectivas, http://www.irn.mj.pt/	Portuguese	€20	€30
Romania	National Trade Register Office www.onrc.ro	Romanian and English	€0.40 per request	€0.40 per request
Slovakia	Business Register of District Court www.orsr.sk	Slovak (partially in English)	Online free of charge	Online free of charge
Slovenia	AJPES www.ajpes.si	Slovenian (partly in English, German and Italian)	Free of charge	Free of charge
Spain	Central Mercantile Register http://www.rmc.es/Home.aspx?lang=en	Spanish and English	€3.30	€13.52
Sweden	Bolagsverket, http://www.bolagsverket.se/	Swedish (partly in English)	Free of charge	€8.41 (75 SEK)
United Kingdom	Companies House, www.companieshouse.gov.uk	English	Free of charge	Different fees

Case⁷⁶: a request for information and/or complaint and/or dispute registered by a European Consumer Centre in relation to a specific consumer matter.

Casehandling: the consumer ECC sends normal complaint to a trader ECC, which assess the case and contacts the trader or forwards the case to an ADR.

Charge-back: is the practice of forcefully recovering funds from the recipient by a payment service provider.

Collective Redress: a legal term used by the European Community to define the legal instrument of group proceedings.

Cooling off: period of at least 7 days where the consumer can withdraw from the contract.

Complaint: a statement of dissatisfaction by a consumer concerning a cross-border transaction with a seller. The ECC-Net distinguishes two kinds of complaints. A simple complaint and a normal complaint.

Consumer ECC: the European Consumer Centre in the country of the consumer.

Dispute: a referral of a complaint to an out-of-court scheme or ADR-body by an ECC, where the complaint has not been resolved through direct contact between the trader and the consumer.

ECC-Network: The network of 29 European Consumer Centres, extending across all the countries of the European Union, plus Norway and Iceland, which aims at promoting consumer confidence in the workings of the European internal market.

E-commerce⁷⁷: Electronic Commerce done by the buying and selling of products or services over electronic systems such as the Internet and other computer networks.

Escrow: generally refers to money held by a third-party on behalf of transacting parties.

Fraud: an intentional deception made for personal gain or to damage another individual.

Inertia selling: a method of selling that involves the sending of unsolicited goods on a sale or return policy.

IT-tool⁷⁸: the internet based case handling system, developed by the European Commission for use by the ECC's in the logging of all cases.

Normal complaint: any complaint which requires the subsequent intervention or follow-up of an ECC, and is therefore shared with the ECC in the country of where the trader is based.

M-commerce: Mobile commerce is the ability to conduct commerce using a mobile device, such as a mobile phone, a Personal Digital Assistant (PDA), a smart phone, or other emerging mobile equipment such as dash top mobile devices.

Request for information: any query by a consumer concerning a national or cross border issue not related to a complaint.

Scam: a fraudulent business scheme.

Simple complaint: a complaint which requires no follow-up by an ECC, i.e. a 'one step operation' where advice is provided to the consumer.

Trader ECC: the European Consumer Centre in the country of the trader.

Unsolicited goods: the goods that have not been ordered.

⁷⁶ All definitions concerning ECC-Network case handling are based on the definitions from ECC-Network Vademecum 2011.

⁷⁷ http://en.wikipedia.org/wiki/Electronic_commerce

⁷⁸ <http://www.eccnl.eu/page/en/footer-pages/disclaimer>

Questionnaire: E-commerce report 2012

Guidelines for filling in the questionnaire

If any examples are requested, please state whether a solution was found or not. As we want to highlight the problems consumers face it would be counterproductive to provide only success stories. Both are needed for a reliable report.

Please give a detailed description of the problems, so we are able to give a sharp and clear picture of the different problems each ECC's deals with. If you need more lines than indicated, please feel free to add more lines and include the information.

Please explain clearly if the examples you provide are a Consumer ECC or Trader ECC case.

All information on the E-commerce report will be placed within the section on joint projects of the **ECC-Forum**.

If you have any comments or questions, please contact one of the working group members through e-mail or phone. The contact details are at the end of the questionnaire.

Thank you in advance for taking the time to share your knowledge and expertise. It will contribute to the ECC-networks E-commerce report and make our daily work for consumers more visible.

The E-commerce report working group.

ECC contact details for consumers:

Name of ECC:

Postal Address:

Visiting Address: if different from postal address

E-mail address:

Telephone:

Fax:

Website:

Contact details of the respondent:

Name of respondent:

E-mail address:

Direct Telephone:

<p>Question 1</p> <p>Have you noticed any increase in cases (info requests, SC, NC) concerning minors using their mobile phones, internet accounts, etc., to purchase goods or services?</p>	<p>Yes No</p> <p>Please provide a <u>detailed description of the problem</u> and provide examples (including IT-tool reference number).</p>
<p>Question 2</p> <p>In light of your e-commerce case-handling experience, what are the main areas of concern regarding the purchase of digital content (e.g. software, I-tunes, E-books)?</p> <p>Please indicate specifically if they included problems with</p> <ul style="list-style-type: none"> - unexpectedly low quality or non-conformity - unclear information provided to the consumer - problems with (lack of) withdrawal rights - minors <p>If possible, please include the IT-tool reference number.</p>	
<p>Question 3</p> <p>In 2010 and 2011, did you receive any cases (info requests, SC, NC) concerning:</p> <ul style="list-style-type: none"> a) Non/incorrect display of prices b) Mistakes in price display c) Hidden costs (e.g. price dripping) d) Currency exchange related problems 	<p>Yes No</p> <p>If yes, please provide a <u>detailed description of the problem</u> and provide an example (including IT-tool reference number).</p>
<p>Question 4</p> <p>In 2010 and 2011, did you receive any information requests in connection with pre-purchase advice?</p> <ul style="list-style-type: none"> a) Safe E-shopping b) Secure/Safe payment 	<p>Yes No</p> <p>If yes, please provide an example of advice you normally give to consumers.</p>
<p>Please provide links to information on your website</p>	
<p>Question 5</p> <p>In 2010 and 2011, did you receive any cases (info requests, Simple complaints, Normal Complaints) where consumers encountered problems with chargeback on their credit/debit cards?</p> <ul style="list-style-type: none"> a) If yes, please provide an example b) Is the issue legislated in your country? c) What is the source of information for consumers regarding the chargeback procedure (e.g. national law, contract with their credit/debit card provider)? 	

<p>Question 6</p> <p>In 2010 and 2011, did you receive any cases NC/SC concerning restriction of sale based on the nationality or the place of residence of the consumer? (Art. 20.2 Services Directive)</p>	<p>Yes No</p> <p>If yes, please provide a <u>detailed description of the problem</u> and provide an example (including IT-tool reference number).</p>
<p>Question 7</p> <p>From the Trader ECC point of view, please specify five main types of product/services consumers complain about/encounter problems with. Please rank your answer from one to five, with no 1 being the most common and no 5 the least common.</p>	<p>1. 2. 3. 4. 5.</p>
<p>Question 8</p> <p>In 2010 and/or 2011, did you receive any NC/SC where consumers encountered problems in connection with:</p> <p>a) Bankruptcy of E-commerce companies? If any, please provide an example. b) Unsolicited sending of goods? If any, please provide an example. c) Counterfeit products? If any, please provide an example</p>	
<p>Question 9</p> <p>The results from the Mystery Shopping report provided an indication that traders who are members of a Trustmark scheme apparently do not perform differently than traders who are not members of any such scheme. Is there any E-commerce Trustmark in your country which is effective?</p>	<p>a) If yes, please indicate what makes them effective in ensuring trust. b) If not, why not?</p>
<p>Question 10</p> <p>a) Please specify three types of product/service bought/ordered by consumers, which are most subject to fraud. b) Please provide a <u>detailed description of the problem</u> and provide an example (including IT-tool reference number). c) Please provide a top 3 list. Please rank your answer from one to three, with no 1 being the most common and no 3 the least common.</p>	
<p>Question 11</p> <p>In 2010 and 2011, did you receive any cases (info requests, Simple Complaints, Normal Complaints) or deal with any cases concerning a “new” type of fraud/scam?</p>	<p>Yes No</p> <p>If yes, please provide a <u>detailed description of the problem</u> and provide an example (including IT-tool reference number).</p>
<p>Question 12</p> <p>We would like to update the list of national institutions responsible for the registration of companies/business names, etc., in your country.</p> <p>Please provide the following information.</p> <ul style="list-style-type: none"> - Country - Name of institution responsible for registration <ul style="list-style-type: none"> 1. Name of the institution 2. Name of the website 3. Language(s) in which the information is provided 4. Cost of obtaining the information (current fee – 2012) <ul style="list-style-type: none"> ▪ Basic trader contact details ____ € ▪ Downloading documents with detailed information ____ € 	

Question 13 Did you cooperate with the police or any other enforcement authority in 2010-2011?	Yes No If so, please provide an example.
Question 14 Is there any B2C ODR scheme operating in your country through which consumers can lodge and monitor their complaints online? If yes, please provide the following details. Name of ODR provider: Website of ODR provider: Contact details, including postal address Language(s) in which applications are accepted Is the procedure fully conducted online? If not, please specify which part of the procedure is not online? Is the procedure designed to handle only E-commerce complaints/disputes? If not, what kind of other cases are covered? Does the ODR have geographical or sector limitations? If so, please specify. What is the application fee (and equivalent in EUR)?	Yes No
Question 15 In the area of E-commerce, does your ECC cooperate with the following organisations for the purposes of anything other than case handling? If yes, please list and explain the kind of activity and provide an example.	d) Police Yes No
a) ADR Yes No	e) Trustmarks Yes No
b) ODR Yes No	f) Businesses Yes No
c) CPC Yes No	g) Other organisations Yes No
Question 16 Have you experienced any problems in the course of your cooperation with these organisations? This is in order to create a clear picture of the problems experienced during case handling. It is not to name and shame. If yes, please list and explain.	d) Police Yes No
a) ADR Yes No	e) Trustmarks Yes No
b) ODR Yes No	f) Businesses Yes No
c) CPC Yes No	g) Other organisations Yes No

Question 17 Are you aware of any problems consumers encounter with the European Small Claims Procedure? If yes, please specify the main problem areas and clarify if you provide any assistance to consumers in this regard (e.g. help with translation)	
Question 18 In 2010 and 2011, did you receive any information requests in relation to the European Payment Order? Do you provide information in this regard?	Yes No If yes, was this provided only through information requests or otherwise?
Question 19 Do you have experience with collective redress in the field of E-commerce?	Yes No Please specify.
Question 20 Please provide a short description of a success story in the field of E-commerce that you handled as trader ECC in 2010 and 2011.	

Thank you for sharing your knowledge and expertise.

The E-commerce report working group

Contact details ECC-Net

AUSTRIA

EUROPEAN CONSUMER CENTRE *EUROPÄISCHES VERBRAUCHERZENTRUM*

Director: Georg Mentschl
Mariahilfer Straße 81
A-1060 Wien
Austria
Tel: + 43 1 588 77 0 (general line) and
Europe-Hotline 0810 - 810 225
(only available in Austria)
Fax: + 43 1 588 77 71
E-mail: info@europakonsument.at
Web: www.europakonsument.at

BELGIUM

EUROPEAN CONSUMER CENTRE *EUROPEES CENTRUM VOOR DE CONSUMENT CENTRE EUROPEEN DES CONSOMMATEURS*

Director: Edith Appelmans
Hollandstraat 13 / rue de Hollande 13
1060 Brussel/Bruxelles
Belgium
Tel: +32 2 542 33 46 (NL)/ +32 2 542 33 89 (FR)
Fax: +32 2 542 32 43
E-mail: info@eccbelgium.be
Web: www.eccbelgium.be

BULGARIA

EUROPEAN CONSUMER CENTRE *BULGARIA*

Director: Ignat Arsenov
Bacho Kiro street No14
Bg-1000 Sofia
Bulgaria
Tel: +359 298 676 72
Fax: +359 298 755 08
E-mail: info@ecc.bg
Web: www.ecc.bg

CYPRUS

EUROPEAN CONSUMER CENTRE *CYPRUS*

Director: Elena Papachristoforou
c/o Competition and Consumers
Protection Service
(CCPS), Ministry of Commerce,
Industry and Tourism 6, Andreas Araouzos Str.
1421 Nicosia
Cyprus
Tel: +357 22 867 177
Fax: +357 22 375 120
E-mail: ecccyprus@mcit.gov.cy
Web: www.ecccyprus.org

CZECH REPUBLIC

EUROPEAN CONSUMER CENTRE *EVROPSKÉ SPOTŘEBITELSKÉ CENTRUM*

Director: Tomáš Večl
Štěpánská 15
120 00 Prague
Czech Republic
Tel: +420 296 366 155
E-mail: esc@coi.cz
Web: www.evropskyspotrebitel.cz

DENMARK

EUROPEAN CONSUMER CENTRE *DENMARK FORBRUGER EUROPA*

Director: Martine Kiding
Carl Jacobsens Vej 35
DK-2500 Valby
Denmark
Phone: +45 4171 5000
Fax: +45 4171 5100
E-mail: info@forbrugereuropa.dk
Web: www.forbrugereuropa.dk

ESTONIA

EUROPEAN CONSUMER CENTRE *ESTONIA EUROOPA LIIDU TARBIIJA NÕUSTAMISKESKUS*

Director: Kristina Vaksmaa
Rahukohtu 2
10130 Tallinn
Estonia
Tel: +372 6201 708
Fax: +372 6201 701
E-mail: consumer@consumer.ee
Web: www.consumer.ee

FINLAND

EUROPEAN CONSUMER CENTRE *FINLAND* *EUROOPAN KULUTTAJAKESKUS*

Director: Leena Lindström
Haapaniemenkatu 4 A, BOX 5
FIN-00531 Helsinki
Finland
Tel: +358 1 194 676
Fax: +358 9 8764 398
E-mail: ekk@kuluttajavirasto.fi
Web: www.ecc.fi

FRANCE

EUROPEAN CONSUMER CENTRE *FRANCE* *CENTRE EUROPEEN DES CONSOMMATEURS FRANCE*

Director: Bianca Schultz
Bahnhofplatz 3
D-77694 Kehl
Germany
Tel: +49 78 51 991 48 0
Fax: +49 78 51 991 48 11
E-mail: info@cec-zev.eu
Web: www.europe-consommateurs.eu

GERMANY

EUROPEAN CONSUMER CENTRE *GERMANY* *EUROPÄISCHES VERBRAUCHERZENTRUM DEUTSCHLAND*

Director: Bernd Krieger
Zentrum für Europäischen
Verbraucherschutz (ZEV)
Bahnhofplatz 3
D-77694 Kehl
Germany
Tel: +49 7851 991 48 0
Fax: +49 7851 991 48 11
E-mail: info@cec-zev.eu
Web: www.eu-verbraucher.de

Address 2: Kiel Office
Andreas-Gayk-Straße 15
D-24103 Kiel
Germany
Tel: +49 431 590 99 511
Fax: +49 431 590 99 77
E-mail: info@cec-zev.eu
Web: www.eu-verbraucher.de

GREECE

EUROPEAN CONSUMER CENTRE *GREECE*

Director: Dimitrios Markou
144 Alexandras Av.
PC 11471 Athens
Greece
Tel: +30 210 646 0862
Fax: +30 210 646 0784
E-mail: ecc-greece@synigoroskatanaloti.gr
Web: www.synigoroskatanaloti.gr/index_ecc.html

HUNGARY

EUROPEAN CONSUMER CENTRE *HUNGARY* *EURÓPAI FOGYASZTÓI KÖZPONT MAGYARORSZAG*

Director: Dr. Attila Kriesch
József körút 6
H-1088 Budapest
Hungary
Tel: +36 1 459 4832
Fax: +36 1 210 2538
E-mail: info@magyarefk.hu
Web: www.magyarefk.hu

ICELAND

EUROPEAN CONSUMER CENTRE *ICELAND* *EVROPSKA NEYTENDAAÐSTOÐIN*

Director: Hildigunnur Hafsteinsdottir
Neytendasamtökin - ENA
Hverfisgötu 105
101 Reykjavik
Iceland
Tel: +354 545 1200
Fax: +354 545 1212
E-mail: ena@ena.is
Web: www.ena.is

IRELAND

EUROPEAN CONSUMER CENTRE *IRELAND*

Director: Ann Neville
MACRO Centre
1 Green Street
Dublin 7
Ireland
Tel: +353 1 8797 620
Fax: +353 1 873 4328
E-mail: nfo@eccireland.ie
Web: www.eccireland.ie

ITALY

EUROPEAN CONSUMER CENTRE ITALY CENTRO EUROPEO CONSUMATORI

Director: Federico Vicari
Rome
Viale degli Ammiragli 91
00187 Roma
Italy
Tel: +39 06 442 38 090
Fax: +39 06 441 70 285
E-mail: info@ecc-netitalia.it
Web: www.ecc-netitalia.it

Bolzano
via Brennero 3
I-39100 Bolzano
Italy
Tel.: +39 0471 98 09 39
Fax: +39 0471 98 02 39
E-mail: info@euroconsumatori.org
Web: www.euroconsumatori.org

LATVIA

EUROPEAN CONSUMER CENTRE LATVIA EIROPAS PATĒRĒTĀJU INFORMĒŠANAS CENTRS

Director: Aija Gulbe
Kr. Valdemara Street 157-228
LV-1013 Riga
Latvia
Tel: +371 673 88 625
Fax: +371 673 88 625
E-mail: info@ecclatvia.lv
Web: www.ecclatvia.lv

LITHUANIA

EUROPEAN CONSUMER CENTRE LITHUANIA EUROPOS VARTOTOJU CENTRAS

Director: Saulius Linkevicius
Odminių str. 12
LT-01122 Vilnius
Lithuania
Tel: +370 5 2650368
Fax: +370 5 2623123
E-mail: info@ecc.lt
Web: www.ecc.lt

LUXEMBOURG

EUROPEAN CONSUMER CENTRE LUXEMBOURG CENTRE EUROPEEN DES CONSOMMATEURS-GIE LUXEMBOURG

Director: Karin Basenach
55 rue des Bruyères
L-1274 Howald
Luxembourg
Tel: +352 26 84 641
Fax: +352 26 84 57 61
E-mail: info@cecluxembourg.lu
Web: www.cecluxembourg.lu

MALTA

EUROPEAN CONSUMER CENTRE MALTA

Director: Claude Sammut
47A, South Street
Valletta VLT 1101
Malta
Tel: +356 21 22 19 01
Fax: +356 21 22 19 02
E-mail: ecc.malta@gov.mt
Web: www.eccnetmalta.gov.mt

THE NETHERLANDS

EUROPEAN CONSUMER CENTRE NETHERLANDS EUROPEES CONSUMENTEN CENTRUM

Director: Patricia de Bont
Catharijnesingel 55E
3511 GD Utrecht
The Netherlands
Tel: +31 30 232 64 40
Fax: +31 30 234 2727
E-mail: info@eccnl.eu
Web: www.eccnl.eu

NORWAY

EUROPEAN CONSUMER CENTRE NORWAY FORBRUKER EUROPA

Director: Ragnar Wiik
P.O. Box 4594 Nydalen
0404 Oslo
Norway
Tel: +47 23 400 500
Fax: +47 23 400 501
E-mail: post@forbrukereuropa.no
Web: www.forbrukereuropa.no

POLAND

EUROPEAN CONSUMER CENTRE POLAND EUROPEJSKIE CENTRUM KONSUMENCKIE

Director: Piotr Stanczak
Plac Powstańców Warszawy 1
00-950 Warsaw
Poland
Tel: +48 22 55 60 118
Fax: +48 22 55 60 359
E-mail: info@konsument.gov.pl
Web: www.konsument.gov.pl

PORTUGAL

EUROPEAN CONSUMER CENTRE PORTUGAL CENTRO EUROPEU DO CONSUMIDOR

Director: Maria do Céu Costa
Praça Duque de Saldanha, 31-1°
Lisboa
Portugal
Tel: +351 21 356 47 50
Fax: +351 21 356 47 19
E-mail: euroconsumo@dg.consumidor.pt
Web: www.cec.consumidor.pt

ROMANIA

EUROPEAN CONSUMER CENTRE ROMANIA CENTRUL EUROPEAN AL CONSUMATORILOR ROMANIA

Director: Irina Chiritoiu
Bd. Nicolae Balcescu nr. 32-34, etaj 4, ap.16
Sector 1, Bucharest
RO-010055
Romania
Tel: + 40 21 3157149
Fax: + 40 21 3110242
E-mail: office@eccromania.ro
Web: www.eccromania.ro

SLOVAKIA

EUROPEAN CONSUMER CENTRE SLOVAKIA EURÓPSKE SPOTREBITEĽSKÉ CENTRUM

Director: Dzsenída Veliová
Mierová 19
827 15 Bratislava
Slovakia
Tel: +421 2 4854 2019
Fax: +421 2 4854 1627
E-mail: info@esc-sr.sk
Web: www.esc-sr.sk

SLOVENIA

EUROPEAN CONSUMER CENTRE SLOVENIA EVROPSKI POTROŠNIŠKI CENTER

Director: Jana Huc Ursic
Frankopanska 5
1000 Ljubljana
Slovenia
Tel: +386 1 432 30 35
Fax: +386 1 433 33 71
E-mail: epc@epc.si
Web: www.epc.si

SPAIN

EUROPEAN CONSUMER CENTRE SPAIN-CENTRO EUROPEO DEL CONSUMIDOR EN ESPAÑA

Director: José Maria Tamames Rivera
Principe de Vergara 54
28006 Madrid
Spain
Tel: +34 91 822 45 55
Fax: +34 91 822 45 62
E-mail: cec@consumo-inc.es
Web: <http://cec.consumo-inc.es>

SWEDEN

EUROPEAN CONSUMER CENTRE SWEDEN KONSUMENT EUROPA

Director: Jolanda Girzl
Tage Erlander gatan 8A
Box 48
652 20 Karlstad
Sweden
Tel: +46 54 19 41 50
Fax: +46 54 19 41 59
E-mail: info@konsumenteuropa.se
Web: www.konsumenteuropa.se

UNITED KINGDOM

EUROPEAN CONSUMER CENTRE UK

Director: Jediah Mayatt
1 Sylvan Court, Sylvan Way,
Southfields Business Park
BASILDON Essex UK SS15 6TH
United Kingdom
Tel: +44 8456 04 05 03
Fax: +44 8456 08 96 00
E-mail: ecc@tsi.org.uk
Web: www.ukecc.net

Notes

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This report has been coordinated and written by the following ECC offices on behalf of the European Consumer Centres' network.

ECC Netherlands

ECC Lithuania

ECC Ireland

ECC Sweden

