

Online shopping

Quick facts

Shopping on the Internet can be economical, convenient, and no less safe than shopping in a store or by mail. To help keep your online shopping experience a safe one:

- Know who you're dealing with.
- Know exactly what you are buying.
- Know what it will cost.
- Pay by credit or charge card.
- Check out the terms of the deal.
- Print and save records of your online transactions.

Shopping online offers many benefits that you won't find shopping in a store or by mail. The Internet is always open – seven days a week, 24 hours a day – and bargains can be numerous online. With a click of a mouse, you can buy an airline ticket, book a hotel, send flowers to a friend or purchase your favorite fashions. You can order tulip bulbs directly from Holland, exotic spices from Turkey or hand woven wall hangings from Mexico or Morocco. But sizing up your finds on the Internet is a little different from checking out items at the mall. Shopping electronically especially when you're dealing with vendors in other countries opens up a whole world of questions. Are the prices posted in U.S. dollars or some

other currency? Does the company ship internationally? How long will it take for an order to be delivered? Will unexpected taxes or duties be added to the price?

If you're buying items from an online retailer or auction website, the Bureau of Consumer Protection offers this advice to help you make the most of your shopping experience:

- **Know who you're dealing with.** Anyone can set up shop online under almost any name. ID thieves can create websites that imitate and look like the business' real website. Avoid the tendency to trust a website based solely on its appearance. Confirm the online seller's physical address, including the country where it is based, and an email address or phone number in case you have questions or problems. And consider dealing only with vendors that clearly state their policies. If you get an email or pop-up message while you're browsing that asks for financial information, don't reply or click on the link in the message. Legitimate companies don't ask for this information via email. Look up the business' phone number and call it and ask if it is

requesting private information on its website.

- **Know exactly what you're buying.** Read the seller's description of the product closely, especially the fine print. Words like "refurbished," "vintage" or "close-out" may indicate that the product is in less-than-mint condition, while name-brand items with "too good to be true" prices could be counterfeits.
- **Pay close attention to the information you're entering when you place an order.** For example, an additional keystroke could get you 10 shirts when you wanted only one.
- **Know what it will cost.** Check out websites that offer price comparisons and then compare "apples to apples." Factor shipping and handling along with your needs and budget into the total cost of the order. Verify that all charges are calculated correctly. Do not send cash under any circumstances.
- **Pay by credit or charge card.** If you pay by credit or charge card online, your transaction will be protected by the Fair Credit Billing Act. Under this law, you have the right to dispute charges under

certain circumstances and temporarily withhold payment while the credit card company investigates. In the event of unauthorized use of your credit or charge card, you generally would be held liable only for the first \$50 in charges. Some companies offer an online shopping guarantee that ensures you will not be held responsible for any unauthorized charges made online, and some cards may provide additional warranty, return, and/or purchase protection benefits.

- **Check out the terms of the deal, like refund policies and delivery dates.** Can you return the item for a full refund if you're not satisfied? If you return it, find out who pays the shipping costs or restocking fees and when you will receive your order. Sellers are required to ship items as promised within 30 days after the order date if no specific date is promised, or give you an "option notice." This notice gives you the choice of agreeing to the delay or canceling your order and receiving a prompt refund. There is one exception to the 30-day rule. If a company doesn't promise a shipping time, and you are *applying for* credit to pay for your purchase, the company has 50 days after receiving your order to ship. Find out where you should call, write or email with complaints or problems.
- **Keep a paper trail.** Print and save records of your online transactions including the product description and price, the online receipt, and copies of every email you send or receive from the seller. Read your credit card statements as you receive them

and be on the lookout for unauthorized charges.

- **Don't email your financial information.** Email is not a secure method of transmitting financial information like your credit card, checking account or Social Security number. If you initiate a transaction and want to provide your financial information through an organization's website, look for indicators that the site is secure, like a lock icon on the browser's status bar or a URL for a website that begins "https:" (the "s" stands for "secure"). Unfortunately, no indicator is foolproof. Some fraudulent sites have forged security icons.
- **Check the privacy policy.** It should let you know what personal information the website operators are collecting and why and how they're going to use the information. If you can't find a privacy policy or if you can't understand it, consider taking your business to another site that's more consumer friendly.
- **Be sure your computer is protected.** Install a quality firewall, virus protection, and spyware protection software on your computer. These tools will help combat hackers and identity thieves. Always run an update before shopping online.
- **Don't allow anyone else to share your computer or use your Internet access.** Identity thieves can install software on your computer that permits them to log every keystroke you make. If you permit someone else to use your computer or Internet access, particularly if they use your computer more than one time, you

run the risk of becoming an ID theft victim. If you really do want to share your computer with another person regularly, make sure you know them well and trust them completely. Also, set up a separate account for them rather than give them any of your passwords.

- **Never give out your Internet password.** Be original when creating your password(s). Consider using a combination of numbers, letters, and symbols or a phrase to remember it. For example: UR2G\$48* - "You are to give money for eight stars." Avoid using established numbers for your password, such as your house number, birth date or a portion of your telephone or Social Security numbers.

Internet auctions

Thinking of bidding in an online auction or selling some of your stuff? Internet auctions are a great resource for shoppers and sellers, but you need to watch out for some pitfalls. Here's how:

- **Evaluate how soon you need to receive the item you're bidding on and whether you can tolerate it being delivered late or even not delivered.** Many complaints about Internet auction fraud involve late shipments, no shipments or shipments of products that aren't the same quality as advertised.
- **Whether you're a buyer or a seller, read each auction site's Terms of Use before using it for the first time.** Sites may charge fees, follow different rules, or offer different protections.

- **Carefully consider your method of payment.** Learn what recourse you have if something goes wrong. Don't send cash and don't use a money wiring service.
- **Don't reply to "phishing" emails.** Messages that look like they've been sent by an auction website or payment service and ask for your password or other personal information.
- **Know who you're dealing with.** Avoid doing business with sellers you can't identify, especially those who try to lure you off the auction site with promises of a better deal. Confirm the seller's telephone number in case you have questions or problems.
- **Know exactly what you're bidding on.** Read and print a copy of the seller's description of the product closely especially the fine print. Save copies of all emails you send and receive from the auction site or seller, too.

Tips for using online classifieds

- Deal locally with buyers and sellers you can meet in person.
- Never use wire transfer services to send money – anyone who asks you to do so is likely a scammer.
- Fake cashier checks and money orders are common. Banks will cash the checks and then hold you responsible when the counterfeit check or money order is discovered weeks later. Make certain the check or money order has actually cleared before you send money. That might take a couple of weeks. Ask your bank.
- Never give out financial information (bank account

number, social security number, eBay/PayPal info, etc.).

- Avoid deals involving shipping or escrow services.

Types of fraud

Most people who complain about Internet auction fraud report problems with sellers who:

- Fail to send the merchandise.
- Send something of lesser value than advertised.
- Fail to deliver in a timely manner.
- Fail to disclose all relevant information about a product or terms of the sale.

Escrow service complaints

Another type of fraud occurs when sellers or buyers pose as escrow services to improperly obtain money or goods. The so-called seller puts goods up for sale on an Internet auction and insists that prospective buyers use a particular escrow service. Once buyers provide the escrow service with their payment information, the escrow service doesn't hold the payment but sends it directly to the so-called seller. The buyer never receives the promised goods, can't locate the seller, and, because the escrow service was part of the scheme, can't get any money back.

In some cases, a fraudster poses as a buyer and, after placing the highest bid on an item, insists that the seller use a particular escrow service. The escrow service tricks the seller into sending the merchandise and doesn't send the payment or return the goods to the seller.

Fake check scams

Sellers can be victims of fraud when buyers send fake checks or money

orders that are detected by the bank only after the seller has shipped the goods. A buyer might offer to use a cashier's check or corporate check to pay for the item you're selling. Sometimes, the buyer sends a fake check or money order that exceeds the cost of the item that has been purchased. The so-called buyer (or the buyer's "agent") states that he made a mistake or comes up with another reason for writing the check for more than the purchase price. In either case, the buyer asks you to wire back the difference after you deposit the check. You deposit the check and wire the funds back to the "buyer." Later, the bank determines that the check is fraudulent, leaving you liable for the entire amount. The checks were counterfeit, but good enough to fool unsuspecting bank tellers.

How to complain

If you have problems during a transaction, try to work them out directly with the seller, buyer or site operator. If that doesn't work out, contact the Bureau of Consumer Protection.

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