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Internet Shopping

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Shopping on the Internet is different than shopping at your local mall. The *Internet Sales Contract Regulation* applies to residents of Alberta or to people purchasing goods or services from Alberta businesses that sell online. Only goods or services that are bought or sold for personal, family or household use and have a value of more than \$50 are affected by this regulation.

Some types of businesses are exempt from the regulation. For example, the regulation does not apply to businesses selling cut flowers or food products that are perishable at the time of delivery to the consumer. The regulation also does not apply to licensed online payday lenders, or time share or points-based time share contracts.

Also, the regulation does not apply if you are buying from a private individual rather than a business.

THE CONTRACT

Disclosure requirements

Before you buy online, it is important to know what you are agreeing to in the contract. The regulation states that before you make a purchase the Internet seller must give you the following information:

- The business name, address and telephone number
- A description of the goods or services
- An itemized list of the price of goods or services and any associated costs payable by the consumer including taxes and shipping charges
- A description of any additional charges that may apply to the contract such as customs duties and brokerage fees whose amounts cannot reasonably be determined by the supplier
- The currency in which the amount owing is payable
- The terms, conditions and method of payment
- The supplier's cancellation, return, exchange and refund policies, if any

- The delivery date and delivery arrangements
- Any other limitations or conditions that may apply.

The required information must be prominently displayed on the website.

It must be clear and understandable and you must be able to retain and print it.

Entering into the contract

The regulation requires Internet sellers to give you the opportunity to accept or decline the contract and to correct errors immediately before entering into it. Download or print off any information that you send to the business and retain it for future reference.

Getting a copy of the contract

Once you have agreed to purchase the goods or service, the company must provide you with a copy of the contract in writing or in electronic form within 15 days after the agreement was entered into. The contract must include the information originally disclosed to you as well as your name and the date the contract was entered into.

Cancelling the contract

The regulation allows you to cancel an Internet sales contract if any of the following conditions apply:

You may cancel the contract within **seven days** after receiving your copy from the Internet seller if

- the disclosure requirements were not met
- you were not given an opportunity to accept or decline the contract or to correct errors immediately before you entered into it.

You may cancel the contract within **30 days** after entering into it if

- you do not receive a copy of the contract by mail, email, facsimile or some other method or you are unable to download or print a copy of the contract within **15 days** after entering into it

- the copy of the contract does not contain the required disclosure information.

You may cancel the contract if you do not receive the goods or services within **30 days** of the date specified in the contract. If the delivery date is not specified, you may cancel the contract within **30 days**.

However, if the company attempts to deliver the goods or services and you refuse to accept them or if you are notified of delivery and no one is there to receive them, this 30-day cancellation right does not apply.

You may cancel travel, transportation or accommodation services immediately if those services do not begin on the promised date.

How to cancel the contract

To cancel the contract you must notify the business that you want to terminate the agreement. You can send the notice by any means including registered mail, telephone, fax, email, courier or personal service. You should be able to prove the date that you sent the cancellation notice. It is important to keep a copy of the notice and any other supporting documentation relating to your purchase and cancellation.

Getting your money back

If you exercise your right to cancel the contract, the business must return the money paid under the contract within **15 days** from the date of cancellation. If the business fails to refund the money after being given proper notice and you did not pay by credit card, you may consider taking legal action to recover the debt.

Sometimes the goods purchased are delivered even though the contract has been cancelled. If this happens you must return the goods to the business within **15 days** from the day you cancelled or the day you received the goods (whichever is later). The Internet seller is responsible for the reasonable cost of returning the goods.

If you purchased by credit card and properly cancelled the contract, but did not receive a refund from the Internet seller within the required **15 days**, the credit card company must cancel or reverse the charges.

Your request to cancel or reverse the credit card charge must include the following information:

- Your name, credit card number and the expiry date of the credit card
- The Internet seller's name
- The date the contract was entered into
- The date, method and reason for cancellation of the contract
- The total amount of the contract
- A description of the goods and services sufficient to identify them
- A statement that you did not receive a refund from the Internet seller following cancellation.

The credit card company must acknowledge your request within **30 days** of receiving it. If your request meets the requirements for cancellation, the credit card company is required to reverse the charges and any associated interest or other charges within two complete billing cycles or **90 days** (whichever comes first).

Most credit card companies have a toll-free number you can contact if you have any questions. Your credit card statement may contain this number.

SHOP SAFELY ONLINE

Protect your privacy

Protect your personal information when you shop on the Internet. Businesses may ask for your date of birth, your mother's maiden name or your Social Insurance Number to help them identify who they are dealing with. Be careful what you share about yourself. The more information others have about you, the greater your exposure to security risks.

Find out if the company has a privacy policy that sets out how it will use the personal information you provide. Check to see if the policy allows you to decline or opt out of sharing personal information such as email addresses. Some businesses use this information to develop market profiles or to sell their mailing lists to others.

Ask to see a copy of their privacy policy if you can't find it on the website. If none exists or you are not comfortable with the policy, you may want to think twice about buying from that business. Reputable business will have a privacy policy and post it online.

How secure is the payment system?

Security of credit card information provided over the Internet is a major concern for many consumers. Before giving your credit card number or other financial information to a business, make sure that the merchant has a secure transaction system. Most Internet browsers indicate when you are using a secure Internet link. To check to see if a website is secure look for

- a website address that starts with `https://`
- an icon, often a lock or an unbroken key, at the bottom of the screen.

Many businesses will post a security statement that explains how the business will protect the data you provide. Companies may also display a seal on their website like WebTrustSM (<http://cpawebtrust.org/>) or TRUSTe (www.truste.org) to assure online customers that their business has the ability to maintain privacy and security for Internet transactions. Check to see which organization is awarding the seal and the requirements that a merchant has to meet to be allowed to use that icon.

Check your credit card statement each month as soon as it arrives to make sure there are no charges you can't account for. Your financial liability may be limited if you report fraudulent use of your card to the credit card company immediately.

KEEPING RECORDS

Make sure you keep a printed copy of any forms or documents that you filled out and any emails you sent and received about the goods or services you purchased. You will need these records if there is any dispute about the sale.

Is this a scam?

Scams aren't new. If the offer sounds too good to be true, it probably is. Be cautious about the promise of a valuable prize in return for a low-cost purchase. These are all good indicators of fraud. Some other clues on how to spot a scam are:

- Hidden addresses. Beware of businesses that try to sell goods or services using an anonymous email address or post office box number that make it hard for you to find their actual location.
- Vague references. "Thousands of satisfied customers!" Sounds impressive, but you don't have enough information to check this out.
- Promises of instant wealth. If incredible returns are being offered, ask yourself who will provide the money and how will it be generated.
- "This is not a scam." A legitimate business does not have to convince you of its legality.
- Hidden expenses. Be wary of advertisements promising no start up costs and then asking for a one-time-only fee.

Check the following sites for more information about scams:

Competition Bureau

www.competitionbureau.gc.ca

Royal Canadian Mounted Police

www.rcmp-grc.gc.ca/scams-fraudes/index-eng.htm

Canadian Anti-Fraud Centre

www.antifraudcentre.ca

FOR MORE INFORMATION

For additional information about the *Internet Sales Contract Regulation* call:

Consumer Contact Centre

Edmonton: (780) 427-4088

Toll-free in Alberta: 1-877-427-4088

www.servicealberta.ca

See the tipsheet "Payday Lending" for more information about Internet payday lenders.

For more information about shopping on the Internet, check the following websites:

Canadian Marketing Association

www.the-cma.org

Canadian Bankers Association

www.cba.ca

Canadian Consumer Information Gateway

www.consumerinformation.ca

Canadian Code of Practice for Consumer Protection in Electronic Commerce

www.strategis.ic.gc.ca/epic/internet/incmc-cmc.nsf/en/fe00064e.html

A current version of this and other consumer tipsheets are available at the Service Alberta website www.servicealberta.ca. Most public libraries have Internet access if you don't have access at home.

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