



Buyer Beware - Online Shoppers Need To Be On Their Guard

Now more than ever, the old adage *Caveat Emptor* or Buyer Beware must be kept in mind by consumers as they shop online for the upcoming festive season.



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At a glance

- Website checks
- New EU customs rules
- Delivery text scams

It seems that shopping online is becoming ever-trickier for consumers. Online shoppers have always needed to stay alert and make sure that they are dealing with legitimate companies and trustworthy traders. Moreover, with so much interaction between the Irish and UK markets, Brexit has made it all the more vital that consumers know the location of the suppliers they are buying from, as UK sellers are now outside the EU. When dealing with non-EU traders, there may be VAT and customs charges that will apply and that can take the purchasing consumer unawares while significantly adding to the price of the item. Buying outside the EU also has an impact on the consumer protections that the buyer can expect to be applied to the transaction. Making the situation even more fraught are the plethora of scams that prey on the fact that many consumers may be expecting multiple deliveries of their online shopping. Texts and emails may purport to come from delivery companies and postal services such as DHL and An Post but in reality are from fraudsters looking to part you from your hard-earned cash. Consumers must be constantly vigilant to protect themselves from both unexpected but legitimate charges and from fake and fraudulent attempts to

access funds in their bank account.

And yet, in the current challenging environment, consumers also need to think ahead and get their festive shopping sorted earlier than ever. The danger is that they may make purchasing decisions that are hasty, impulsive, rash or panicked amid well-touted concerns about supply chain issues, longer delivery timeframes and lack of availability of sought-after items.

With the buying season in full swing ahead of what will hopefully be a near-normal Christmas, *Consumer Choice* offers consumers some reminders about how to safeguard themselves and their money.

Where in the world?

When shopping online, it is more important than ever to know where the seller you are dealing with is based and where the goods will be shipped from. This is because online shopping packages received from outside the EU, which post-Brexit now includes the UK, will incur Irish VAT and customs charges depending on the value and type of items bought. The seller's location also has an impact on whether the significant EU consumer protections will apply to the transaction or not. These consumer protections

ensure that consumers are given clear information and are not misled before they buy, that they have a 14-day cooling-off period in which they can cancel the order for any reason and that they have a right to a refund if something goes wrong. Even though non-EU companies selling their products into the EU should adhere to the basic framework of consumer rights, actually enforcing these rights may be difficult. Thus, by buying from outside the EU, your consumer rights will not be guaranteed and the normal EU redress options will not be available to you. The Competition and Consumer Protection Commission (CCPC) notes that if you are buying from a non-EU website, including a UK site, you should make sure to check the terms and conditions to find out the returns policy and whether you will be able to return an item if you change your mind, what timeframes apply, whether you can cancel an order before it is sent, who pays for the cost of returning an item, and what is the company's policy in terms of returning faulty goods. Having considered the terms and conditions, you may prefer to opt for an EU-based business.

What's in a (domain) name?

Unfortunately, determining the seller's location is not as simple as looking at the country domain name in the website address. For example, consumers keen to buy from an Irish company based within Ireland cannot rely on the fact that the website has a .ie domain name. Many .ie domains are in fact owned by companies that are based elsewhere and goods ordered from these websites may ship from abroad. For an in-depth look at why a .ie website address will not necessarily indicate that the retailer is based in Ireland see the April 2021 issue of *Consumer Choice*.

So, given that the .ie domain name does not necessarily mean that the business is based in Ireland, online shoppers looking to find out where the business behind the website is based or registered will need to check the company's registered or postal address by looking in the About Us or Contact Us sections of the website or searching through the Terms and Conditions. Shipping information may be included in the Shipping and/or Delivery sections of the company website but, if not, the European Consumer Centre Ireland notes that delivery or lead times can be a good indication of whether the goods are coming from within Ireland or a nearby EU country or whether they are coming from farther away.

Additional duties and charges

Ordering from non-EU businesses that operate and ship from outside the EU/EAA will give rise to customs and duties over and above the purchase price of the item. Post-Brexit, the same charges that apply to goods bought online from non-EU retailers now apply to online shopping from the UK. The EU Commission notes that all websites that sell goods into the EU are obliged to inform consumers about the total price of goods and services, inclusive of taxes and any other charges and that, if these cannot be calculated in advance, the consumer must be informed that additional charges may be payable. The CCPC notes that if you make a purchase from an EU website and, on delivery, you are informed of additional charges that you were not previously made aware of, you can choose to refuse to pay the charges and the goods will then be returned to the seller. This is separate to the 14-day cancellation period but the CCPC suggests that, as soon as you decline to pay the additional charges, you should immediately email the seller to advise them that you are cancelling the order and seeking a full refund.

Where additional customs charges apply, you will receive a bill from the postal company or courier prior to delivery and the charges will have to be paid before the goods can be handed over to you. The delivery company will undertake to pass the charges collected on to Revenue and it will likely charge an administration or handling fee for performing this task - all of which adds to the price of your purchase. For an example of how VAT and custom charges can significantly increase the price of what may seem like an online bargain, see the February 2021 issue of *Consumer Choice*.

New EU customs rules

An Post has recently launched a customer information campaign to raise awareness among consumers about some additional new EU customs rules for parcels that come from non-EU countries including Britain. New EU customs regulations for parcels posted from non-EU countries took effect on 1st July 2021 and these require the sender to provide electronic customs information for each parcel. Customs charges may also apply and all fees must be paid by customers before An Post can deliver their items. An Post notes that almost all the large non-EU retailers - including UK brands such as Marks & Spencer, River Island and Boots - have worked with the Irish postal service to provide a simple and clear 'duty

paid' facility at the online checkout so that consumers pay all VAT and customs charges up front, which means that these parcels can be delivered to customers straightaway on arrival into Ireland.

However, An Post has outlined how problems are arising with parcels that come into Ireland via other postal services, such as Royal Mail and USPS, because the senders - usually a small business or individual personal customers - are unaware of the new complex information and tax requirements. If these smaller, more specialist retailers do not know that they must provide electronic customs data or have not put in place the necessary online shopping systems for selling to Ireland, this can lead to customs delays or the parcels being returned when they arrive in Ireland. As a result, An Post is advising customers receiving parcels (either online shopping or personal goods) from outside the EU to check with the sender that they are completing all the appropriate documentation in advance for every parcel they send to Ireland through the post. Moreover, EU customs rules now restrict or prohibit a range of goods and substances from being posted into the EU from non-EU countries and, again, these items must be returned to the sender. Information on restricted and prohibited items can be found at anpost.com and revenue.ie.

Gifts sent into Ireland

It is worth noting - and it may come as something of a surprise - that the new rules in relation to providing electronic customs information also apply to gifts from family and friends sent to Ireland from outside the EU. Gifts below the value of €45 (including postage) from non-EU countries require valid electronic customs data, but they do not require any customs or VAT to be paid. Irish consumers are advised to tell friends and family outside the EU that all items must be accompanied by valid electronic customs data when sending. An Post recommends that those sending gifts into Ireland from non-EU countries use their local postal providers' online sending solution where available, as this will allow them to complete all the necessary electronic customs data requirements, to ensure the parcel can be cleared easily upon arrival. Moreover, gifts valued at over €45 will be charged a customs fee, to be paid by the receiver.



Usual checks needed

Along with determining an online seller's location for the reasons outlined above, the savvy shopper must still carry out all the usual checks before confirming payment, particularly if it is a website that they have not used before. It is strongly advised that you do some research into the seller to ensure that the company is legitimate and trustworthy. Reputable traders will provide contact information such as an email address, phone number and geographical address and details of how you can get in touch with them when issues arise. Be wary where this information is missing from the website. Moreover, check online forums and social media for consumer reviews of the business you are considering transacting with for reassurance that customers are generally satisfied with the service and goods provided. However, be aware of the potential for fake or paid-for reviews, particularly if all feedback is glowing and overly positive. For advice on how to spot a fake review online, see the December 2019/January 2020 issue of *Consumer Choice*. As a further protection when buying online, the CCPC recommends using such online payment services as PayPal or a pre-pay credit or debit card. Use of these payment methods will ensure that potential fraudsters will not have access to your bank account details. Consumers are warned to be suspicious of traders who suggest a bank transfer or

card payment over the phone.

Delivery woes

Once their online shopping has been done, the consumer must then wait for their packages to arrive and unfortunately delivery delays have been an all-too-common problem in recent times, due to such factors as supply chain and logistics issues, the massive rise in online transactions, and the increased incidence of duties and customs payments. Again, consumers who buy from an EU website have strong protections. Unless an alternative delivery date has been agreed, items bought from an EU seller should be delivered within 30 days and if delivery does not take place within that timeframe, you can either agree a new delivery date or cancel the contract and get a refund. The CCPC notes that the seller is responsible for the item until it is delivered to you, unless you have arranged your own delivery. Thus, if the seller organises a courier to deliver the item and delivery does not take place, then the seller should arrange a replacement or refund.

Adding to consumers' delivery woes is the increased prevalence of scams in the form of texts and emails that claim to come from delivery services such as DHL and An Post. A consumer awaiting multiple deliveries and perhaps anxious to obtain a particular product or toy as a gift could easily fall prey to one of these phishing scams aimed primarily at getting access to your bank details so that the scammers can fraudulently withdraw money from your account. These text and email scam attempts have become ever more sophisticated and harder to spot. Key indicators used to be a poor level of English or grammar used, a sender email address that did not correspond to the business being imitated, or an unknown text number or one with a pre-fix from a distant country. Scammers have unfortunately in some cases appeared to overcome many of these red flags, making it increasingly difficult for consumers to protect themselves. It is vital that consumers always give themselves time to think when they receive such messages, especially if they are expecting a delivery, and that they avoid clicking on any links provided in unsolicited messages if they are in any doubt. It is best to always double check any communications by independently contacting the business or organisation through its official platform. Where links that look fairly legitimate are provided in emails, hovering the mouse over the link

can sometimes reveal that you will be directed to a very different web address. Importantly, consumers should never give personal information in response to unsolicited messages, particularly their debit or credit card details. DHL, the international courier and package delivery service, has warned customers of fraudulent messages claiming to be connected with the company. DHL has said that it will not ask consumers for any data or request them to download an app via text and that it would only suggest installation of apps via authorised app stores. An Post notes that it will never send urgent requests or threats or use shortened links - for example, Bit.ly.

With the increased prevalence of duties and customs charges owed post-Brexit on purchases coming from the UK, scammers have a whole new angle to use to try to defraud unwary consumers. An Post has issued clear guidance for consumers to help them spot a phishing text or email that appears to alert customers of customs payments due. An Post says that its messages contacting you about the payment of customs charges will never contain any links. In addition, a few days after a text or email from An Post, you will receive an official An Post postcard outlining your customs charges. You can then use the track and trace number provided to pay the charges online at anpost.com or through your local post office branch.

Useful websites

An Post
anpost.com

Competition and Consumer Protection Commission
ccpc.ie

European Consumer Centre Ireland
eccireland.ie

Revenue
revenue.ie

In-store shopping reminders

All these potential pitfalls may put consumers off doing their festive shopping online. In addition, there is a renewed focus among many on supporting local businesses and reducing the carbon footprint of festive purchases. So, for consumers who want to go old-school and buy locally in-store, here are some key points to remember:

- Unlike buying online, where you typically have 14 days to change your mind about your order, retailers in physical shops are not legally obliged to refund your money or give you an exchange unless the item is faulty. They may offer a generous returns policy but they do not have to. Make it a habit to ask about the shop's returns policy at the till, before you hand over your money. Given that consumers may be buying gifts particularly early this year, make sure that the returns period will stretch into January 2022 to allow sufficient time for the item to be changed after the festive period.
- Retailers are not required by law to give a receipt but consumers should always request one. Retailers are entitled to look for a receipt as proof of purchase when dealing with a consumer who is returning goods for any reason. However, a receipt is not the only means to provide proof of purchase - a credit or debit card statement may suffice.
- Gift receipts, which provide proof of purchase but do not show the price, typically allow someone to swap the item for a different one or to receive store credit. However, they usually do not allow for a refund of the purchase price. If you are really unsure about whether the recipient will like your gift, consider giving them the actual receipt. Moreover, refunds are generally issued in the form the payment was made. So, paying in cash will mean that the refund will be provided in cash, whereas card payments will often only be refunded to the specific debit or credit card used, which may cause difficulties for someone returning a gift. Think through your payment options when buying a gift that is likely to need to be returned.
- Retailers can charge whatever price they like as, in general, there is no pricing control - this means that consumers will need to shop around for the best available value. Moreover, there is no legislation to prevent retailers from increasing their prices to take advantage of a special occasion or time of year. Retailers have to display prices clearly in euro where the consumer can see them. However, consumers do not have the right to buy a product at the price displayed on it – retailers have the right to make a genuine mistake. On the other hand, retailers must not deliberately mislead consumers as to the price of a good. If consumers notice that a retailer is engaging in misleading pricing or failing to display pricing, they can report the issue to the CCPC.
- Gift vouchers now must have an expiry date of at least five years. However, these regulations do not apply to certain gift cards, such as the One-4-All card, which can apply maintenance fees after a certain period has transpired, eroding the value of the card if you do not use it soon enough. Moreover, as we have seen in recent times, shops and chains can suddenly go out of business, in which case you will find it difficult, if not impossible, to use your gift voucher or get the equivalent cash value back. Tell recipients to use the gift voucher or card quickly rather than let it languish in a drawer for months and potentially eventually go to waste.
- Shops are entitled to refuse cash payments and insist on contactless card transactions but they must make the consumer aware of this policy through appropriate signage.
- Sales and discounts do not diminish your consumer rights. If an item turns out to be faulty, even though it was bought at a reduced price, the consumer is still entitled to a repair, replacement or refund.

