

### 3.3. CONSUMER FRAUD – ONLINE AND OFFLINE

Consumer fraud, as the survey describes it, could involve intentional conduct aimed at deceiving the buyer, such as offering a product with no intention to deliver it. The question in the survey allowed people to also mention situations in which they had felt misled when purchasing something. That may or may not be due to intentional conduct on the seller's part. For example, the buyer receives the item or service but it does not fully correspond with the description received before the transaction, or, when ordering things online, the final cost taking all charges into account is higher than initially advertised.

The European Consumer Centres Network is a network that the European Commission and the EU Member States set up. Members of the network have encountered instances of consumer fraud involving fraudulent websites, fraud when selling used cars online or sale of counterfeit products, among others.<sup>60</sup> Besides breaching intellectual property rights, counterfeit products may not fulfil EU product safety standards, putting consumers at risk.

The results in this report concerning consumer fraud complement the findings of a survey that the European Commission carried out in 2019 to examine scams and fraud that consumers experience.<sup>61</sup> That survey collected data in the 27 EU Member States, Iceland, Norway and the United Kingdom concerning experiences of scams when buying products or services, monetary fraud and identity theft.

## What did the survey ask?

*In the past five years, have you ever felt cheated or misled in terms of the quantity, quality, pricing or delivery of goods, items or services you were purchasing? For example, when buying something in a shop or online.*

*Did this happen to you in the past 12 months?*

*Thinking about this incident [the most recent incident in the past five years], did you order the product or service from another country?*

Answer categories (separate answers for each of the questions above): Yes, no. In addition, respondents who did not select one of these answer categories could answer 'prefer not to say' or 'don't know'.

*Thinking about the last time this happened, how did you order or buy the product or service?*

- I went into a shop
- By speaking to someone over the telephone
- Online / over the internet / email
- The salesperson or service provider came to my home
- I made an order by post / mail
- In some other way

Respondents could select one or more of the answer categories listed above. In addition, respondents who did not select one of these answer categories could answer 'prefer not to say' or 'don't know'.

Respondents who had felt cheated or misled when purchasing goods, items or services in the five years before the survey were asked if they reported this incident anywhere. Those who did not report the incident were asked about the reasons for not reporting it.

**Chapter 4** analyses the results for these questions.

<sup>60</sup> European Consumer Centres Network (2017), **Fraud in Cross-border e-Commerce**.

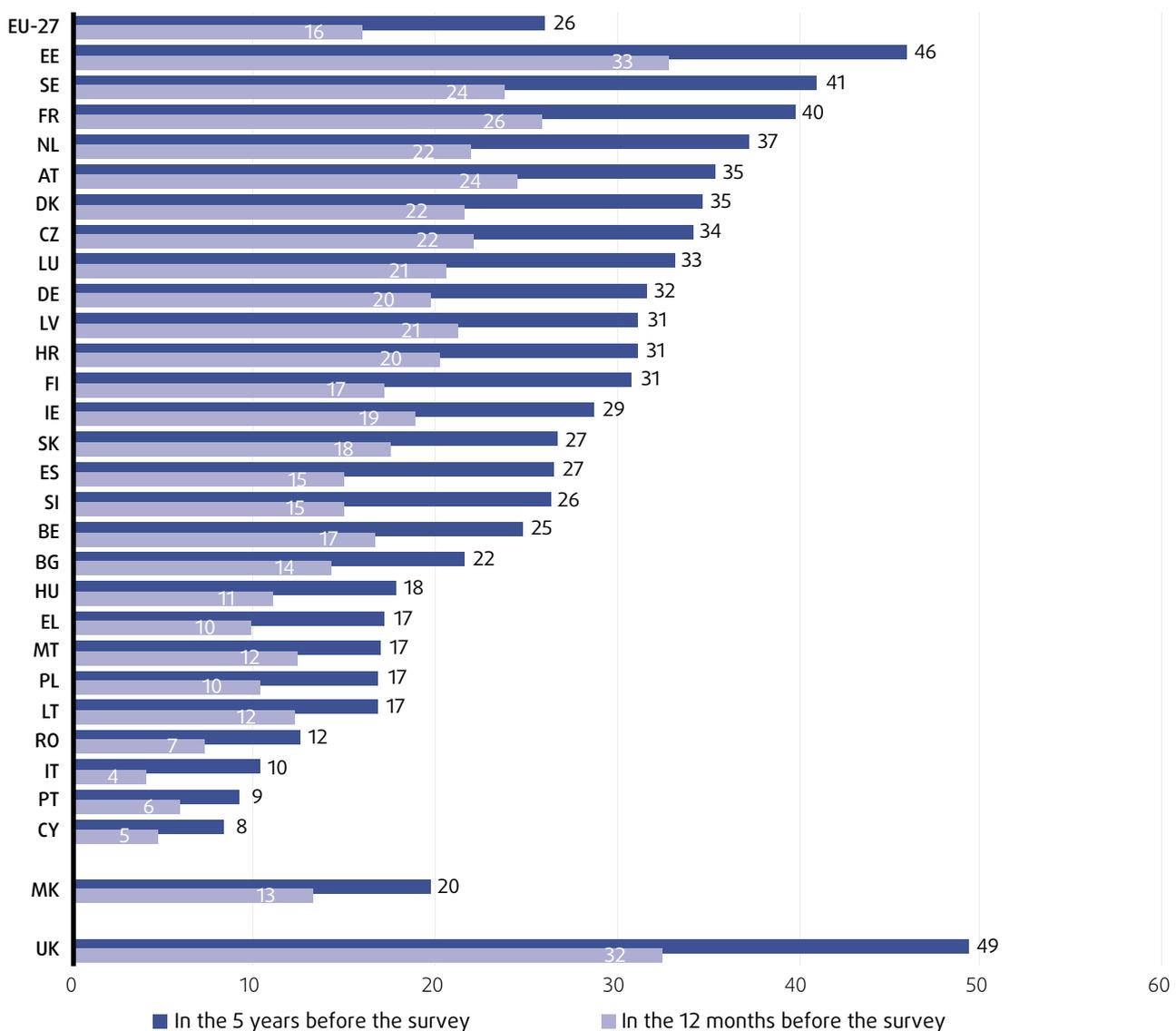
<sup>61</sup> European Commission (2020), **Survey on 'Scams and Fraud Experienced by Consumers'**.



Some one in four people (26 %) in the EU-27 experienced an incident of consumer fraud in the five years before the survey, and 16 % in the 12 months before the survey (Figure 18). In terms of the five-year rates, 40 % or more experienced consumer fraud in Estonia, France, Sweden and the United Kingdom, compared with 10 % or fewer in Cyprus, Italy and Portugal. In Estonia and the United Kingdom, one in three people experienced an incident of consumer fraud in the 12 months before the survey (33 % and 32 %, respectively).

Notes: Out of all respondents in the EU-27, North Macedonia and the United Kingdom (n = 34,948); weighted results.

**FIGURE 18: EXPERIENCES OF CONSUMER FRAUD, IN THE FIVE YEARS AND IN THE 12 MONTHS BEFORE THE SURVEY, BY COUNTRY (%)**



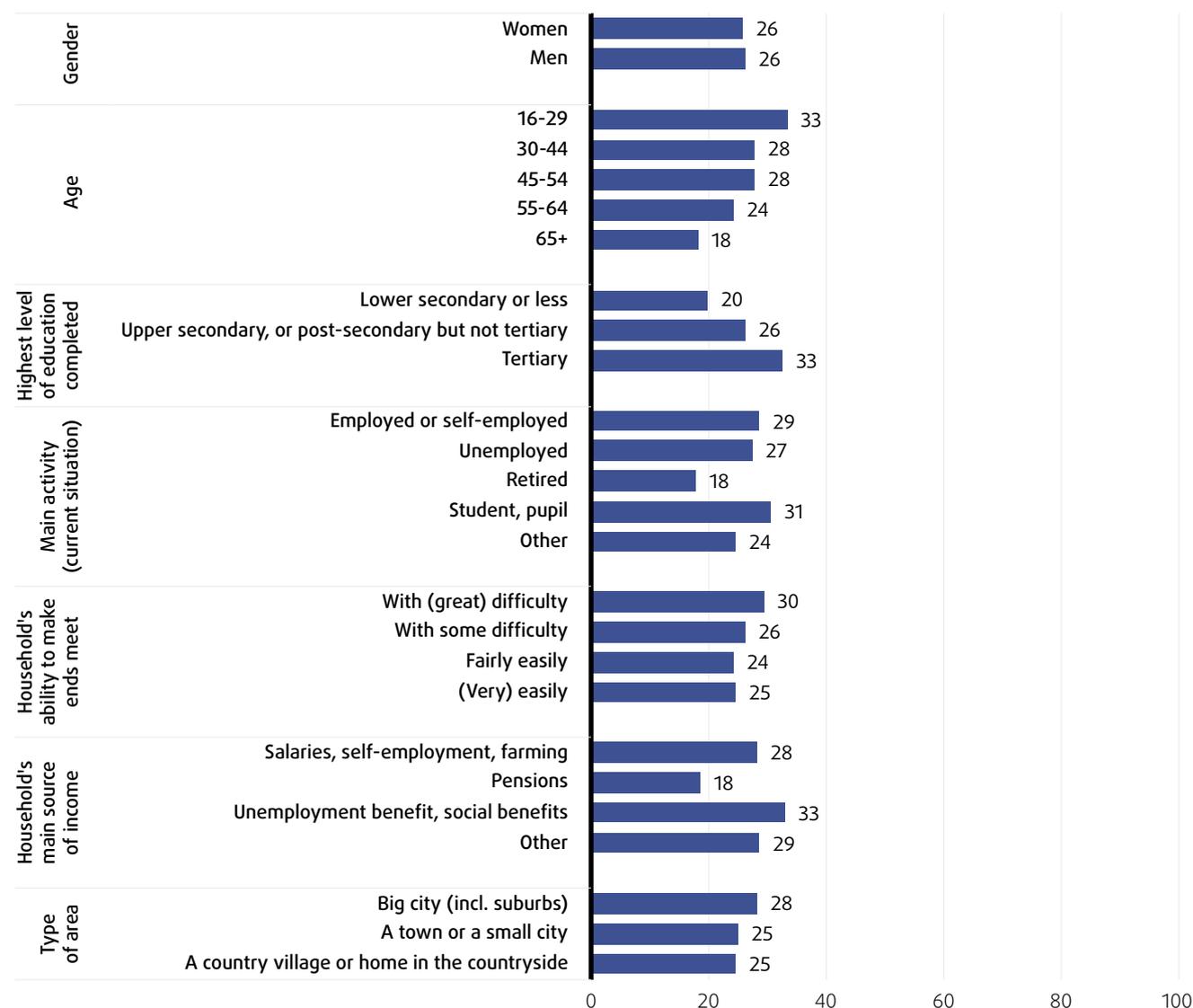
Source: FRA, Fundamental Rights Survey 2019; data collection in cooperation with CBS (NL), CTIE (LU) and Statistics Austria (AT)

There is no difference between the rates of consumer fraud experienced by women and by men (Figure 19), but there are differences based on age and education. Young people experience consumer fraud at a higher rate than older people. The rates go from 33 % in the five years before the survey for people aged 16–29 years all the way down to 18 % for people aged 65 years and older. The lower rate of consumer fraud among older people is reflected in lower rates for people who are retired and whose main income source is a pension. These results also reflect age-related differences in internet use: while 81 % of 16- to 29-year-old internet users shop online, 56 % of internet users who are 65 years of age or older do so.

One in three people with tertiary education (33 %) have experienced consumer fraud, compared with one in five people with lower secondary education or less (20 %). Higher rates of consumer fraud are associated with having severe limitations in everyday activities (36 % in the five years before the survey), being part of an ethnic minority (37 %) and not being heterosexual (35 %) (Figure 20).

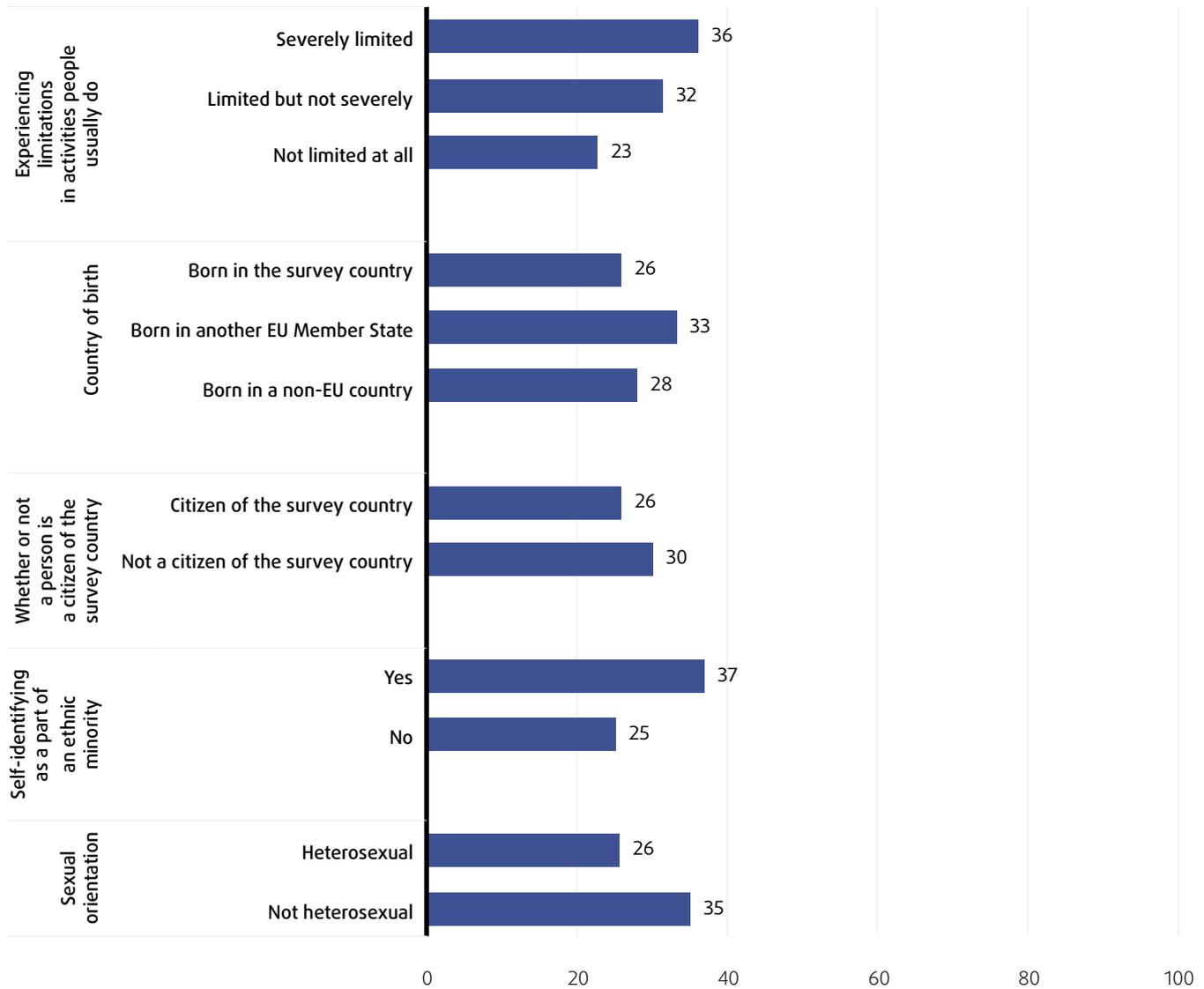
Notes: Out of all respondents in the EU-27 (n = 32,537); weighted results.

**FIGURE 19: EXPERIENCES OF CONSUMER FRAUD IN THE FIVE YEARS BEFORE THE SURVEY, BY SELECTED SOCIO-DEMOGRAPHIC CHARACTERISTICS (EU-27, %)**



Source: FRA, Fundamental Rights Survey 2019; data collection in cooperation with CBS (NL), CTIE (LU) and Statistics Austria (AT)

**FIGURE 20: EXPERIENCES OF CONSUMER FRAUD IN THE FIVE YEARS BEFORE THE SURVEY, BY SELECTED POPULATION GROUPS (EU-27, %)**



Source: FRA, Fundamental Rights Survey 2019; data collection in cooperation with CBS (NL), CTIE (LU) and Statistics Austria (AT)

Notes:  
Out of all respondents in the EU-27 (n = 32,537); weighted results.

The survey asked respondents who had experienced consumer fraud in the five years before the survey to specify how they had purchased the goods or services when the most recent incident took place. If they said that they had made the purchase online, by phone or by mail, it asked whether they had ordered the goods or services from abroad or from their own country. One in two of the most recent incidents of consumer fraud in the five years before the survey took place when goods or services were ordered online or by email (54 %), followed by incidents when the customer purchased the goods or services in a shop (28 %). Other incidents involved purchases made over the telephone, by post or in some other way.

Examining these results by country, bear in mind that the rates of internet penetration and use vary between countries and that in 10 countries the survey was conducted online. Of only internet users in the EU-27, 51 % who have experienced consumer fraud indicate that this involved buying something online, while 30 % experienced it when going to a shop to buy something. The share of online consumer fraud ranges from over two in three in the United Kingdom (73 %), Germany (69 %), Ireland and Denmark (both 67 %) to under three in 10 in Slovakia (27 %), Bulgaria (22 %) and Greece (19 %).

Among the people who had bought the goods or services online, on the phone or by mail, two in five incidents (41 %) of consumer fraud involved goods or services ordered from abroad. The rate goes up to 94 % in Luxembourg and 87 % in Malta. Many incidents involved purchases made online, and small countries may have fewer local online providers. That leads to many online purchases being made on websites based in other EU Member States or outside the EU. In four countries, fewer than one in three incidents of consumer fraud involving orders online, on the phone or by mail involved goods or services ordered from abroad: Poland and Romania (both 21 %), the Netherlands (24 %) and the United Kingdom (29 %).

