



ONLINE CROSS-BORDER MYSTERY SHOPPING – STATE OF THE **e**-UNION

ONLINE CROSS-BORDER MYSTERY SHOPPING – STATE OF THE e-UNION

September 2011

**ONLINE CROSS-BORDER MYSTERY SHOPPING
– STATE OF THE e-UNION**

This publication is available from:

Rosendahls-Schulz Distribution

Herstedvang 10

2620 Albertslund

Denmark

Telefon: 43 22 73 00

Fax: 43 63 19 69

E-mail: Distribution@rosendahls-schultzgrafisk.dk

Also available on the websites of the ECCs

(Further information can be found in Appendix 3)

Design

Rosendahls-Schulz Grafisk

Table of contents

1.	Introduction	5
2.	Scope	7
3.	Research methodology	9
3.1.	Organisation and planning	9
3.2.	Product categories	9
3.3.	Selection of websites	9
3.4.	Distribution of websites	10
3.5.	Shopping exercise	10
3.6.	Questionnaire	10
3.7.	Limitations	11
4.	Information prior to purchase.....	12
4.1.	General information.....	12
4.1.1.	Information about the trader	12
4.1.2.	Contact forms.....	13
4.1.3.	Language.....	14
4.2.	Information on price and payment	15
4.2.1.	Price	15
4.2.2.	VAT and customs.....	15
4.2.3.	Payment	16
4.3.	Information on delivery	17
4.3.1.	Information on delivery time and costs.....	17
4.3.2.	Information on free delivery	18
4.4.	Security, privacy and Trustmarks.....	19
4.4.1.	Security	19
4.4.2.	Privacy	19
4.4.3.	Trustmarks.....	20
4.5.	Terms and conditions	21
4.5.1.	Accessibility of terms and conditions.....	21
4.5.2.	Right of withdrawal	22
4.5.3.	Legal warranty.....	24
4.6.	The purchase process.....	25
5.	Delivery, products and payment.....	28
5.1.	Delivery	28
5.2.	The products	29
5.3.	Payment.....	30
5.3.1.	Time of payment.....	30
5.3.2.	Unexpected costs.....	31
6.	Returns and reimbursement.....	33
6.1.	Conditions and procedures for exercising the right of withdrawal	33
6.1.1.	Information on return procedures.....	33
6.1.2.	Restrictions on returns	35
6.2.	Returning products to test the right of withdrawal in practice	36
6.2.1.	Reimbursements.....	36
6.2.2.	Reimbursement of delivery costs	38
6.2.3.	Reimbursement time	39
6.2.4.	Means of reimbursement.....	40

7.	Website problems prior to purchase	41
7.1.	Difficulties in searching for relevant web traders.....	41
7.2.	Difficulties in making purchases.....	44
7.2.1.	No delivery, no money withdrawal	44
7.2.2.	Theft.....	44
7.2.3.	Payment made with other means than a credit card.....	44
7.2.4.	Non-European origin of website.....	44
7.2.5.	Technical problems	45
8.	CPC relevant issues	46
8.1.	CPC authorities	46
8.2.	Cooperation between the ECC-Net and the CPC-Net.....	46
8.3.	Issues of interest for the CPCs	47
9.	Conclusions and recommendations	49
9.1.	Conclusions	49
9.1.1.	Barriers for online cross-border shopping	49
9.1.2.	Level of information on the websites.....	49
9.1.3.	Not always easy to contact trader.....	50
9.1.4.	Trustmarks.....	50
9.1.5.	Delivery and payment.....	50
9.1.6.	Withdrawals return procedure and reimbursements.....	50
9.1.7.	CPC issues to inform about.....	51
9.2.	Recommendations.....	51
9.2.1.	Increased cooperation with businesses (trade organisations)	51
9.2.2.	Trustmarks.....	52
9.2.3.	Enhance the visibility of the ECC-Net.....	52
9.2.4.	Market transparency	52
9.3.	The message to consumers.....	53
Appendix 1	55	
Appendix 2	68	
Appendix 3	69	

1. Introduction

Even if online cross-border shopping within the internal market continues to increase, the growth is not as high as could be expected. Several studies¹ have shown that many consumers are still either unaware of the possibilities or afraid of running into problems with traders. According to the Consumer Conditions Scoreboard², the total share of consumers shopping online has increased from 37% in 2009 to 40% in 2010, however, only 9% of this share is crossing the borders³.

The increase in number of consumers shopping online cross-border is fairly low when compared to domestic figures. Since the declared goal for the European Commission is for 20% of the population to buy cross-border online by 2015⁴, there is still a long way to go. The figures show that consumers tend to be more confident when purchasing goods and services online domestically. So what is keeping consumers from shopping across borders? Consumers' perceptions seem to be a major barrier to cross-border e-commerce. According to the Consumer Conditions Scoreboard, consumers are concerned about:

- Risk of fraud (62%)
- Problems with delivery (49%)⁵

For consumers who have actually tried to shop across borders the figures are 34% and 20% respectively⁶. 61% of the consumers who have already shopped across borders are equally confident in cross-border and domestic online shopping compared to only 33% of the general population. The Consumer Conditions Scoreboard also shows that cross-border e-commerce appears to be as reliable as domestic e-commerce or even more:

- Only 16% of cross-border purchases were delayed (18% for domestic purchases)
- The product did not arrive in 5% of cross-border cases (6% for domestic purchases)⁷

The aim of this joint project was to test the conditions in the internal market for consumers when they shop cross-border online. We wanted to find out whether their concerns are justified.

The Consumer Conditions Scoreboard also shows that 59% of consumers are concerned about what to do if problems arise, and that being uncertain about their rights discouraged 44% from buying goods or services from sellers in other EU countries. This suggests that consumers need more information on their rights and their possibilities of enforcing them, in order to increase consumer confidence in online cross-border shopping within the internal market.

One of the core objectives of the European Consumer Centres' Network (ECC-Net) is to help consumers to feel confident when they take advantage of the possibilities provided by the internal market to purchase goods and services from a trader in another Member State, Norway or Iceland. We increase consumer confidence by, among other things, pro-

1 E.g. "Realities of the European online marketplace. A cross-border e-commerce project by the European Consumer Centre's Network" (2003), p. 4 (hereafter referred to as the 2003 report), available at http://ec.europa.eu/consumers/redress/ecc_network/european_online_marketplace2003.pdf, "Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU" (2009), p. 8 (hereafter referred to as the 2009 report), available at http://ec.europa.eu/consumers/strategy/docs/EC_e-commerce_Final_Report_201009_en.pdf, "The European Online Marketplace: Consumer Complaints 2008-2009", p. 3 (hereafter referred to as the ECC-Net e-commerce report) and the "Consumer Conditions Scoreboard - Consumers at home in the single market", 5th edition, March 2011 (hereafter referred to as the Consumer Conditions Scoreboard).

2 Cf. the Consumer Conditions Scoreboard, p. 11 (see footnote 1).

3 The share increased from 8% in 2009 to 9% in 2010, according to the ECC-Net e-commerce report, p. 38 and "Consumers at Home in the Single Market? Questions and Answers on the 5th Consumer Scoreboard", MEMO/11/154 (Figure 5).

4 European Commission: "A Digital Agenda for Europe", COM(2010) 245, p. 41 and the Consumer Conditions Scoreboard, p. 9.

5 Cf. the Consumer Conditions Scoreboard, p. 15 (see footnote 1).

6 *Ibid.*

7 *Ibid.*

viding information about the conditions of the internal market, consumer rights and by assisting consumers with specific information requests and complaints.

In order to be able to continuously provide relevant information on the conditions of the internal market to consumers and other main stakeholders (such as the European Commission and national consumer authorities), it is important for the ECC-Net to carry out empirical research projects. In doing so, the ECC-Net contributes to increasing consumer confidence because the results of such projects create awareness about the relevant issues, if any.

This report will also contribute to the European Commission's 20% objective by highlighting the obstacles consumers face and by providing various recommendations on how to eliminate them.

The ECC-Net comprises centres in each of the 27 EU countries⁸, as well as one in Norway and Iceland. The ECC-Net is co-financed by the Health and Consumer Protection Directorate General of the European Commission (DG SANCO) and by each member country. The European Consumer Centre in Denmark has led this project in close cooperation with the Centres in Lithuania, Norway, Portugal and Sweden, who formed the working group of the project.

⁸ ECC Greece is currently not operating.

2. Scope

The purpose of this project is to test the current state of cross-border e-commerce within the internal market with the objective to test in practice whether traders grant consumers the correct protection when selling across borders online. It was decided that the main part of the project would consist of a mystery shopping exercise and that actual purchases should be carried out in order to check if the traders comply with EU legislation regarding, e.g. the level of information and assistance provided after the conclusion of the order. The findings of the shopping exercise and the data from the questionnaires will be analysed in this report to help identify relevant issues or concerns. The data will also be a part of a comparative analysis with the data from two past reports mentioned below.

In 2002-2003 a young ECC-Net carried out the 2003 report - which was a mystery shopping project⁹ similar to this project - in order to determine the state of cross-border e-commerce and to reveal some of the obstacles consumers faced when using this relatively new method of distance shopping. In 2003 the shopping exercise was also based on actual purchases, but the sample size in the 2003 report was smaller, totaling only 114 purchases¹⁰.

The 2009 report was another mystery shopping project. This project was carried out by YouGovPsychonomics who were commissioned by the European Commission to test the function of cross-border e-commerce in the EU and to check the potential savings to be obtained by consumers when shopping from another EU country¹¹. The data for this report was collected by testing the ordering process for a total of 10,964 cross-border offers¹². This project did not carry out any actual purchases and therefore reference to this report will be limited.

A distinction between the former projects and this project is the inclusion of the Norwegian and Icelandic markets.

The results in 2003¹³ showed that almost 1/3 of the ordered products were not delivered and that essential information on consumer rights was not given. It was also revealed that there was lack of reimbursement to consumers when making use of the right to withdraw from the contract. Only 2/3 of the returned products were reimbursed.

When deciding the scope of this project we took into consideration the findings from the 2003 report, the statistics from the ECC-Net e-commerce report¹⁴ and statistics from the case handling tool used by the ECC-Net (IT-TOOL). These have all shown that one of the main problems for consumers was connected to the delivery of the ordered product(s).

In order to assess if this is still an issue it was necessary to actually have products delivered. This would further provide us with the opportunity to check whether the delivered products were in conformity with the order and whether defects were present at the time of delivery. Even though problems with the products also represent a large number of the complaints received by the ECC-Net¹⁵, we decided not to test the legal warranty as we found it more relevant and feasible to test the right of withdrawal. At the same time, this would give us the opportunity to test whether traders would accept returns and issue reimbursements in accordance with the Distance Selling Directive¹⁶. It would also allow

9 Cf. the 2003 report, p. 4 (see footnote 1).

10 *Ibid.*, p. 5. The project also carried out separate information-quality checks on a total of 262 websites.

11 Cf. the 2009 report, p. 9 (see footnote 1).

12 *Ibid.*, p. 4. The project also tested 2,609 domestic offers and therefore contained data for a total of 13,573 online offers.

13 Cf. the 2003 report, p.15 (see footnote 1).

14 Cf. the ECC-Net e-commerce report, p.18 (see footnote 1). Problems with the delivered products (and services) represent the second-largest group of complaints.

15 *Ibid.*

16 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.

us to check whether traders comply with the rules on the information that needs to be provided to the consumer.

In the shopping exercise a total of 305 online cross-border purchases were made¹⁷. It is our assessment that this is a representative sample size which provides a good indication of the market conditions. The shopping exercise also consisted of an information quality check. The shopping exercise and the information checks were carried out in early 2011. The analysis and the writing of the report took place from March to May 2011.

The following 17 ECC offices¹⁸ participated in the project; however, all 29 ECC offices contributed to the project:

ECC Austria	ECC Finland	ECC Portugal
ECC Belgium	ECC Hungary	ECC Slovakia
ECC Bulgaria	ECC Ireland	ECC Slovenia
ECC Czech Republic	ECC Italy	ECC Sweden
ECC Denmark	ECC Lithuania	ECC United Kingdom
ECC Estonia	ECC Norway	

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 submitted to the working group by all project participants during the shopping exercise.

¹⁷ A total of 340 purchases were initially planned, however the number had to be adjusted during the course of the shopping exercise due to a variety of difficulties described in more detail in Chapter 3 "Research methodology" and Chapter 7 "Website problems prior to purchase".

¹⁸ ECC Poland had also signed up for the project. Unfortunately they had to withdraw after one purchase as the Mystery Shopper's credit card data was stolen.

3. Research methodology

3.1. Organisation and planning

The working group had its first meeting in October 2010 at the office of ECC Sweden in Karlstad. At the meeting the criteria for the websites and the product categories were determined as well as the layout for the overall project process and the distribution of tasks among the working group members.

3.2. Product categories

In order to determine the most relevant product categories, we consulted the Consumer Market Scoreboard¹⁹ to find the most popular categories. The following 10 relevant product categories were identified:

1. Clothing
2. Sporting goods
3. Household goods (e.g. blender, lamp etc.)
4. Books
5. Music CDs
6. DVD films
7. Video or computer games
8. Computer software (non-downloadable)
9. Electronic equipment (e.g. memory cards, cameras, mp3 players, consoles, external hard discs etc.)
10. Products for personal care (e.g. lotions, shampoos, perfumes etc.)

3.3. Selection of websites

All 29 ECCs were asked to submit a list of 40 web traders from their own countries. The premise was that it would be faster and easier for us to find appropriate web traders in our respective countries. For the purpose of selecting the web traders, the working group drafted a guide, including instructions on a minimum set of criteria. The ECCs 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 ECCs 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.

In 2002-2003 it had been difficult to find enough web traders offering cross-border sales. Even with a sample size that was larger than that of the 2003 report, it was our belief that finding enough relevant web traders for this project would not be a problem this time as we assumed that a larger number of web traders offer cross-border sales compared to 2002-2003. This assumption was not changed despite the fact that, according to the Consumer Conditions Scoreboard, the share of web traders advertising and selling across borders has decreased over the past few years²⁰.

¹⁹ Cf. "Consumer Markets Scoreboard: Consumers at Home in the Internal Market", 4th edition, October 2010, p. 11-13, and "Consumer Markets Scoreboard: Making Markets Work for Consumers", 3rd edition, March 2010, p. 22.

²⁰ According to p. 6 of the Consumer Conditions Scoreboard (see footnote 1), the share of web traders advertising and selling cross borders actually decreased from 25% in 2009 to 22% in 2010.

We were quite surprised to find that many web traders still prefer only to sell products to their domestic market and for some ECCs it was simply impossible to submit a list of more than just a few web traders that fulfilled the criteria described above. This caused a great deal of problems for the project participants. Firstly, because the search for web traders in itself was more time consuming than originally presumed and, secondly, because many websites had to be substituted during the shopping exercise. These problems will be further analysed in Chapter 7 (“*Website problems prior to purchase*”) of this report.

3.4. Distribution of websites

After receiving all the lists of suggested web traders, the working group distributed a list of 20 websites to each participant. The distribution was based on different criteria. The working group decided that it would make sense that more orders be placed in countries with the highest number of submitted web traders. The working group also took into account the complaints submitted to the ECC-Net²¹ in order to reflect reality as much as possible. The statistics presented the top 12 ECC countries to which each project participant country sent the most complaints during the first three quarters of 2010. Therefore, the working group decided that the Mystery Shoppers had to make more purchases in those countries where the ECC of the Mystery Shopper had sent the most complaints. Further, we tried to take into account a principle of neighbouring countries, with the reasoning that consumers are more likely to shop across borders with their direct neighbours due to the shorter distance and a lower risk of language barriers.

3.5. Shopping exercise

It was decided that each Mystery Shopper would make 20 purchases. This would make the total number of websites to shop from 340. The Mystery Shoppers were given a comprehensive shopping guide explaining to them how to carry out their 20 purchases. The purchases were made by individuals, using their private credit cards and the products were delivered to their home addresses. The Mystery Shoppers were recommended to make each purchase within a price range of EUR 50-150, where possible, as it was the assessment of the working group that this would be a realistic price range for making cross-border purchases and that it would also serve to minimise the risk of losing very large amounts of money.

3.6. Questionnaire

The project participants were instructed to collect all the relevant data obtained during the shopping exercise in a questionnaire. The questions were grouped into four different categories in what was deemed to be the most logical chronological order:

- A. Information pertaining to the purchase
- B. Information pertaining to delivery
- C. Information pertaining to the return and refund
- D. CPC and other issues

²¹ For this purpose, statistics were retrieved from the IT TOOL. The data was submitted to the working group by DG SANCO.

In order to obtain countable results, we pre-selected a range of replies to the questions wherever possible²². The questionnaire also contained an additional field for individual remarks at the end of each subsection. The questionnaire is submitted as *Appendix 1* to this report.

3.7. Limitations

It was decided not to include the purchase of services in the project as this would give rise to too many concerns about the right of withdrawal as well as add further limits to the test of returns and reimbursement. It was also decided that orders which had been placed but where the product had not been delivered and the purchase price had not been withdrawn would not count as a purchase in the questionnaires. Instead, these orders will be dealt with separately in Chapter 7 (“*Website problems prior to purchase*”). Therefore the project ended up with fewer purchases than originally planned²³.

In the shopping guide, the project participants were instructed to carry out the information checks and to keep documentation (print screens) of certain steps of the purchase process. Mystery Shoppers were also instructed to document any unusual occurrences during the process. Bearing in mind that we could end up encountering issues that would be of interest to the CPC-Net, we wanted to be able to provide the necessary documentation.

22 *Note:* For the sake of clarity in the presentation of the results gathered from the questionnaire, it was decided to round up or down the calculated percentages.

23 *Note:* Two Mystery Shoppers experienced a great deal of problems and due to different circumstances they ended up only being able to conduct 10 purchases each. Due to these unexpected circumstances combined with the decision to exclude purchases where no product was delivered and no money was withdrawn, the total number of purchases completed was further reduced, making the final figure upon which the conclusions in this report are based 305 purchases.



4. Information prior to purchase

4.1. General information

4.1.1. Information about the trader

Before entering into any contract, you need to know who you are entering into a contract with. Consumers need to know which trader sells the goods they are looking for. This is information that has to be provided to the consumer before the purchase is executed. With information on who the trader is, the consumer can conduct the necessary investigations in order to determine if the trader is suitable for the purpose of the purchase.

Today almost all European countries offer online access to their official business register²⁴, which makes it easier for consumers to conduct at least some research on the trader²⁵. The registration number can, for example, help the consumer find information on the trader's financial situation. However, one should not take the sole fact that a trader is in the business register as a sign that the trader is suitable for the purchase in question. More research may be needed. One example is to use online consumer forums where other consumers share their experiences with certain traders or industries. Another example could be to use the Shopping Assistant, Howard, provided by the ECC-Net.

The requirements for traders to supply information on who they are can be found in both the E-commerce Directive²⁶ and the Distance Selling Directive²⁷. While article 4(1) (a) of the Distance Selling Directive requires the trader to provide information on its identity (and address if the contract requires payment in advance), the E-commerce Directive has more comprehensive requirements. According to article 5 the trader must, among other things, make the following information easily, directly and permanently accessible: name, geographic address, email address, registration number if registered in trade or similar public register.

It is vital that web traders reveal as much information as possible about themselves when acting in a digital environment. One problem we noticed is that it is sometimes difficult for a consumer to be sure from which country the web trader operates. This can have a major impact on the purchase if a consumer wants to utilise their right to withdraw from the contract or submit a complaint, because the time limit differs between the countries. The cooling-off period can vary from 7 to 15 working days and the trader is responsible for non-conformity for at least 2 years (several Member States have chosen a longer period).²⁸

In 90% of the purchases, the trader's name was available and easy to find; in 8%, the Mystery Shopper had to search for the information. In 2% of the purchases, the name of the trader was not available at all. In 88% of the purchases, the country (domicile) of the trader was easy to find and in 9% it had to be searched for. In 3% the information was not available at all at this stage of the process. If the consumer does not know which country the product was bought from he or she may not know the full extent of his or her rights. In cases where purchases are made outside the internal market, the consumer must check the legislation with extra care. Furthermore, taxes and other charges that may also apply.

²⁴ Usually, the registers are only in national languages and some countries charge a small fee for this service, which unfortunately entails a restriction on the possibilities of use by the consumer.

²⁵ The European Business Register (EBR) is a network of National Business Registers and Information Providers from, currently, 26 countries which provides easy access to European company information (www.ebr.org).

²⁶ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

²⁷ 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.

²⁸ Please refer to section 4.5.2. "Right of withdrawal" and the appertaining footnotes.

In 86% of the purchases, the trader’s physical address was easy to find, while in 11% the Mystery Shopper had to search for it. In 3% of the purchases, the physical address was not available at all. In 49% of the purchases, the trader’s company registration number was easy to find and in 8% the Mystery Shopper had to search for it. However, in 43% of the purchases, the registration number was not available.

With regard to the means of communicating with the trader (except via standard post), the Mystery Shoppers looked for both the phone number and email address of the trader. In 92% of the purchases, the trader provided a phone number. In 8% no phone number was available. In 80% of the purchases, the email address of the trader was easy to find, while in 8% it had to be searched for in order to be found. In 12% of the purchases, the Mystery Shopper could not find the trader’s email address at all. Since the consumer and trader enter into a contract using electronic communication, it is very important that the consumer also has the possibility to contact the trader via electronic means, for example via email.

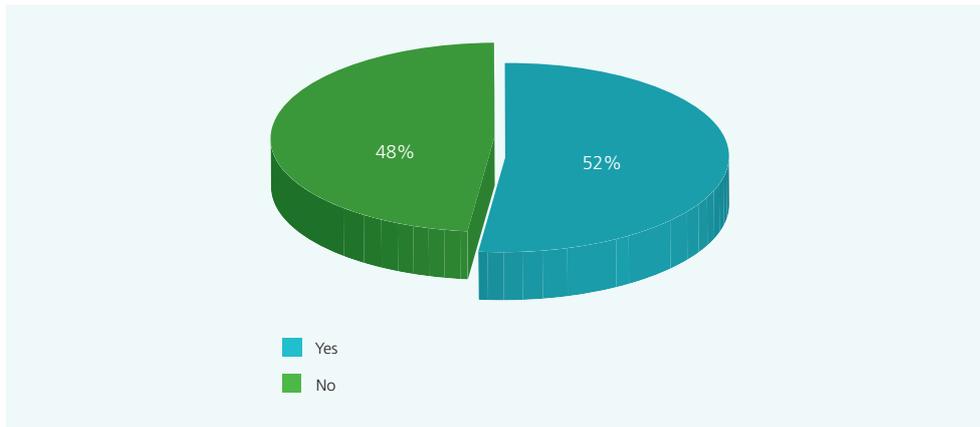
Fig. 1 Accessibility of information about the trader



4.1.2. Contact forms

The Mystery Shoppers also looked for so-called contact forms. This is a form on the trader’s website which the consumer can use to write his or her message to the trader, and it is then sent to the trader via the website. The consumer does not need to use an email client or log on to an email account. As shown in Fig. 2, in 52% of the purchases, the trader offered communication via a contact form.

Fig. 2 Communication via contact form offered



This could be viewed as a service to the consumer, but it could also pose a problem. When contacting the trader, for whatever reason, it is always wise to have proof of that communication. If, for example, the contact form does not send the consumer an email with a copy of what he or she has submitted to the trader, the consumer cannot prove that he or she has tried to contact the trader and what the content of the message was.

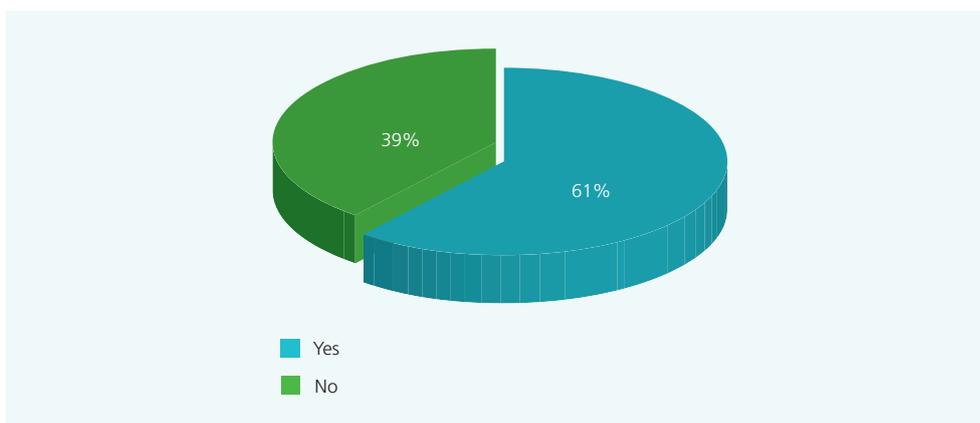
Therefore, it is important to remember that unless the consumer is certain he or she will receive some kind of confirmation and a copy of the information sent via a contact form, the consumer should probably consider sending an email instead. If that is not possible, a print screen should be made of the content in the contact form and of the confirmation when it is sent.

4.1.3. Language

One of the things confirmed in this project is the fact that language is still a problem. Only 61% of the traders offered information in more than one language. While this figure is still relatively low, it is a big improvement on the results from the 2003 report²⁹ where the figure was only 24%.

If more traders offered more languages, one of the barriers to cross-border trade within the internal market could be improved. It is not likely that a majority of the consumers would make a purchase in a language they do not understand, but it does happen.

Fig. 3 Different languages offered



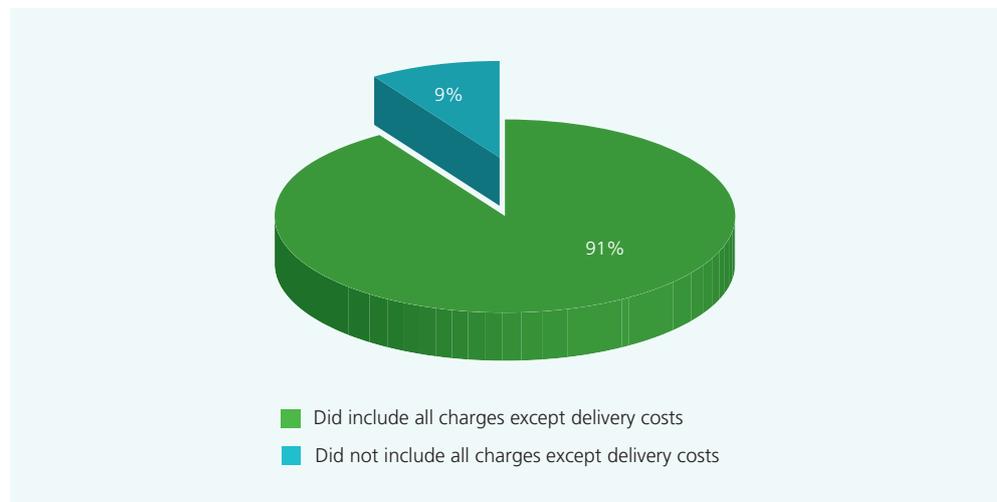
²⁹ Cf. the 2003 report, p.23-24 (see footnote 1).

4.2. Information on price and payment

4.2.1. Price

When entering into a contract to purchase products, the price is part of the agreement. Before a consumer decides to purchase a certain product, the price of that product must be clear. Without knowing the price, the consumer will lack vital information, obstructing the ability to make an informed and well-based decision. According to article 4(1)(c) of the Distance Selling Directive³⁰, the price of the goods must be provided in good time prior to the conclusion of the contract. According to 4(1)(d) delivery cost should also be included. However, in this part of the shopping exercise the Mystery Shoppers were instructed to look at the price at such an early stage of the process, that delivery cost was excluded. As illustrated in Fig. 4 below, our findings show that a vast majority of traders fulfilled this obligation. In 91% of the purchases, the first price presented to the shopper included all charges except delivery costs. This is an improvement on the result in the 2009 report³¹, where the above-mentioned obligation was fulfilled in 86% of the purchases³².

Fig. 4 Price presented



It is not surprising that the price presented in the vast majority of purchases did not include delivery costs (those costs were added later in the purchase process), as delivery costs can naturally vary depending on the delivery method and where in Europe the product is to be shipped.

4.2.2. VAT and customs

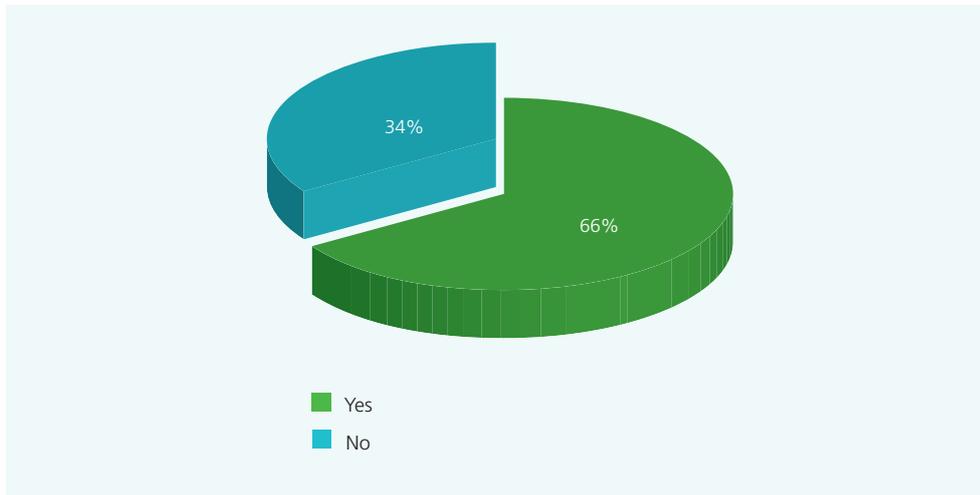
In 34% of the purchases, the Mystery Shopper reported that it was not clear whether VAT was included in the presented price. In cases where it is not clear if the VAT is included, it can be considered misleading if the purchase is made within the European Union and could be seen as advertising that favours those traders. At first glance, the prices seem to be lower, but in the end the price turns out to be higher. However, if the purchase is made from Norway or Iceland, the VAT should not be included. Without the correct facts, it can be difficult to use price comparison sites. If it is not clear whether VAT is included in the price, consumers can be “tricked” into a deal they never would have agreed to if they had possessed all the information from the beginning.

³⁰ 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.

³¹ Cf. the 2009 report, p.6 (see footnote 1).

³² Note: These figures could not be compared to the 2003 report because comparable questions were not asked in that report.

Fig. 5 Clear whether VAT was included



Goods purchased from a trader located in a Member State and sent to a consumer located in another Member State will usually be charged with VAT from the trader's Member State. Norway and Iceland are, however, not part of the European Union, but rather part of the European Economic Area. This means that European Consumer Law applies in Norway and Iceland, but not the VAT directive. It is clearly stated in article 146 of Directive 2006/112/EC³³ that Member States must exempt “the supply of goods dispatched or transported to a destination outside the Community by or on behalf of the vendor” as well as “by or on behalf of a customer not established within their respective territory with the exception of goods transported by the customer himself for the equipping, fuelling and provisioning of pleasure boats and private aircraft or any other means of transport for private use”.

This means that goods purchased from a European trader by Norwegian or Icelandic consumers will be charged Norwegian or Icelandic VAT when entering these countries. Therefore they need to be cleared by either the Norwegian or Icelandic Customs Authorities, which might lead to extra costs for consumers, as described in section 5.3.3 “Unexpected costs”.

4.2.3. Payment

The ECC-Net is regularly contacted by consumers who express concern over making payments in connection to e-commerce. These concerns generally have to do with technical safety but also if the consumer should supply the trader with the information requested, such as credit card details. Generally, the ECC-Net advises consumers to pay with a credit card when shopping online. This is also the reason for the recommendation to mainly use this means of payment in this project. Using a credit card can increase the consumer's protection from fraud, non-delivery etc. It may be possible for the consumer to claim the lost money from the credit card issuer. The consumer should check the protection offered by his or her credit card before executing the online purchase. In 95% of the purchases, it was reported that the trader accepted credit cards as a payment method.³⁴

In 65% of the purchases, debit or bank cards were accepted as payment methods. In some Member States, debit or bank cards offer the same protection as credit cards. In 43% payment through bank transfer was possible. Payments made using bank transfer generally lack the protection that comes with credit card payments. In 51% of the purchases, payment through various online payment methods was offered. Before using these methods

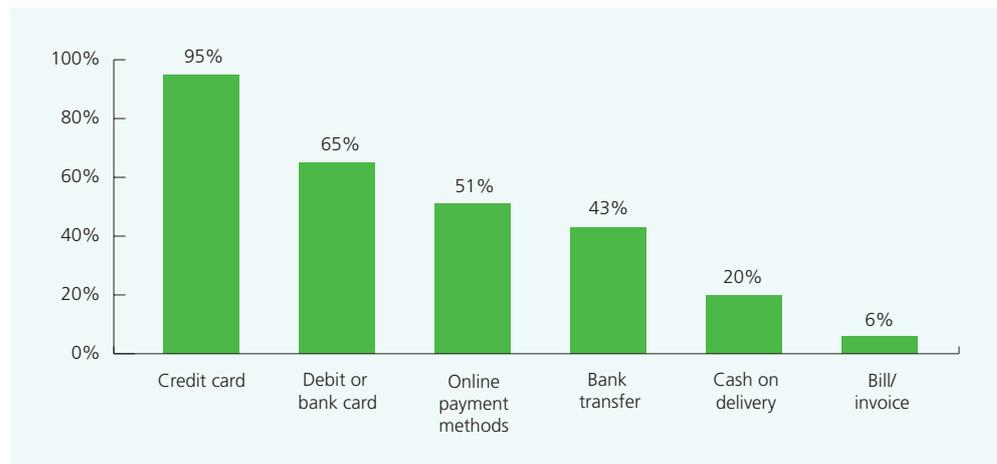
³³ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

³⁴ Some purchases in the project could, however, be made using credit cards through third party intermediaries. Please also see section 5.3. “Payment”.

and services, the consumer should make sure he or she fully understands how the process works if there is any kind of payment protection, and how that protection works.

In only 6% of the purchases was it possible to pay via invoice. This would probably be the payment method that offers the consumer most protection, since he or she can withhold the money if the item is not delivered. The money can sometimes also be withheld by the consumer if there is a dispute with the trader. In 20% of the purchases, payment by cash on delivery was possible, which means that the consumer does not have to pay until the item is delivered. However, this payment method generally does not offer any protection against non-conformity of the order.

Fig. 6 Payment methods offered



4.3. Information on delivery

4.3.1. Information on delivery time and costs

According to the Distance Selling Directive³⁵ the contracting parties have the possibility to agree on a delivery time. In practice this means that the trader provides information on the website about how long delivery will take. If the consumer enters into contract with the trader, the delivery time is part of the contract. If the product is not delivered in time, there is a breach of contract. The Directive also stipulates what constitutes breach of contract when the parties have not agreed on a specific delivery time. According to article 7(2) of the Directive, the consumer may cancel the contract if the products are not delivered within 30 days, if the parties have not agreed on a delivery time. Under these circumstances, the consumer may cancel the contract and receive a full refund.

³⁵ 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.

Fig. 7 Information on delivery time

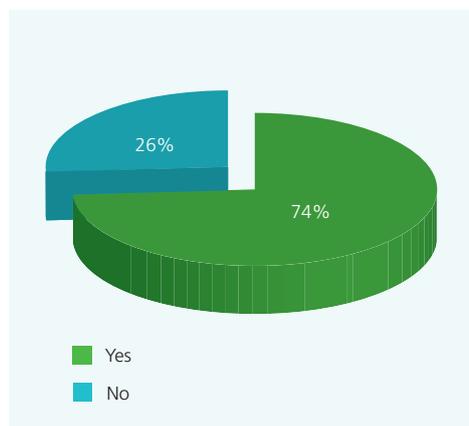
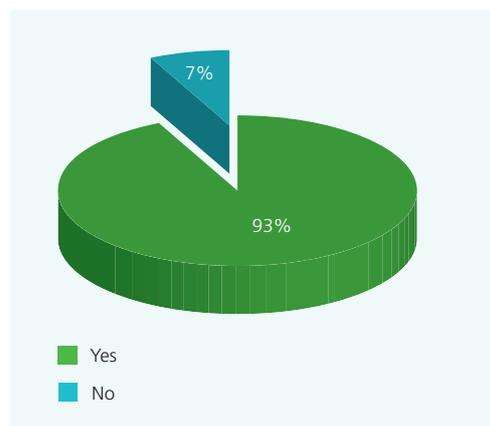


Fig. 8 Information about delivery costs

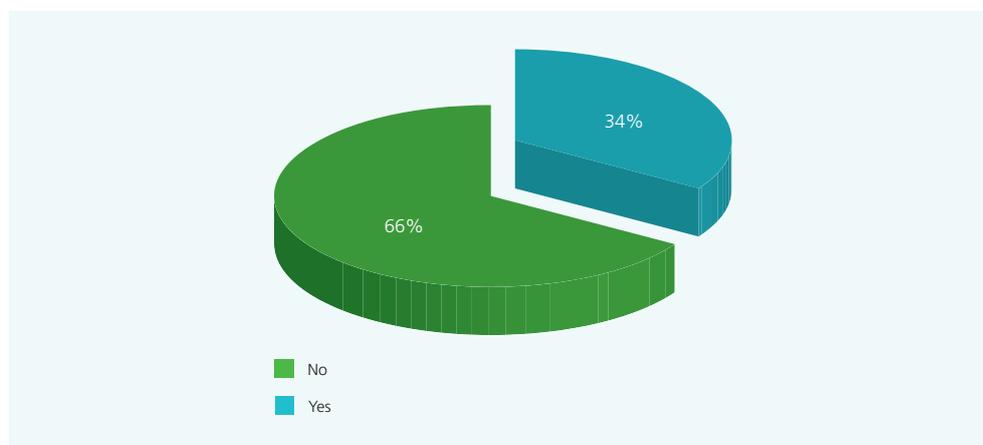


If there is no information about delivery time, then no delivery time has been stipulated in the contract, which would mean the 30 days mentioned above would apply. In 74% of the purchases, there was information about delivery time, meaning that in 26% delivery was supposed to take place within 30 days, at the latest³⁶. The Mystery Shoppers reported that in 93% of the purchases, there was information about delivery costs. Not offering information about delivery costs is of great concern, since delivery costs can vary depending on where in Europe the order is being shipped to or from. The importance of this information is further underlined by the finding that many traders do not reimburse this cost to the consumer³⁷. Ideally, it should be possible to obtain the information regarding delivery costs before the purchase process is initiated. This is because the consumer has to add the cost of shipping to the purchase price.

4.3.2. Information on free delivery

Some traders offer free delivery, meaning that the consumer does not have to add any extra costs to the price of the item. In 34% of the purchases, free delivery of some kind was offered by the trader. However, the Mystery Shoppers reported that the free delivery was usually connected to some kind of restriction.

Fig. 9 Free delivery offered



³⁶ Please see section 5.1. "Delivery".

³⁷ See section 6.2.2. "Reimbursement of delivery costs".

The reported restrictions can be grouped into the following categories:

- Geographical
- Economical
- For a limited time only

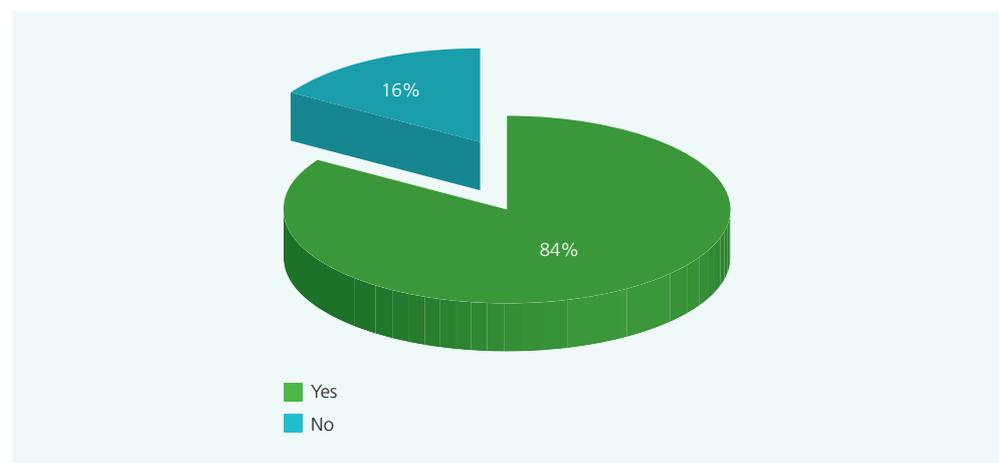
The majority of restrictions were geographical or economical: free delivery was not offered to the Mystery Shopper's country or he or she did not place an order for a high enough sum. Free delivery without any restriction was applied in only 5% of the purchases made.

4.4. Security, privacy and Trustmarks

4.4.1. Security

Consumers must feel safe when shopping online across borders and one of the most important things in this respect is knowing whether they are shopping on a secure website. Here we found an area that needs improvement. A consumer must be able to easily find out if the site is secure and it is important that the consumer knows what to look for. One of the concerns expressed by consumers to the ECC-Net in connection to e-commerce is security. In 84% of the purchases, the Mystery Shopper reported that it was clear whether the site was secure or not. In 16% this was not clear. Since safety is a concern, there is room for improvement.

Fig. 10 Clear whether shopping at a secure site



4.4.2. Privacy

Privacy and data protection are also of great importance in e-commerce. Concerns regarding the consumer's personal data are regarded as one of the reasons why consumers refrain from e-commerce. This issue is general to the online environment and is not seen as creating specific barriers for consumers or traders to engage in cross-border trade.³⁸

In 20% of the purchases, there was no privacy policy available at all. This means the consumer gets no information on what is done with his or her personal details. In 80% of the purchases, there was a privacy policy available, but in connection with some purchases the Mystery Shopper reported it was hard to find the information. This is, however, an

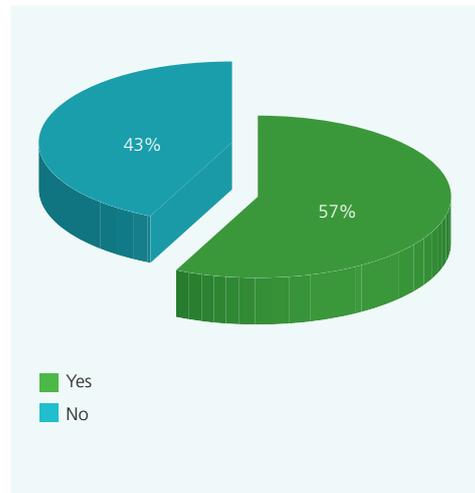
³⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Cross-Border Business to Consumer e-Commerce in the EU, p. 2.

improvement on the 2003 report³⁹, 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.

Fig. 11 Privacy policy available



Fig. 12 Information on passing on personal information to third party



4.4.3. Trustmarks

A Trustmark, for the purposes of this report, is defined as an electronic label displayed on the trader’s website that is in some way connected to consumer rights and confidence. This means that we have not regarded labels that only refer to website safety as Trustmarks. In connection with Trustmarks, the following has been stated: “*Usually, the purpose is to signal adherence to a set of rules (a code of conduct) in order to inspire confidence to the user of the website*”⁴⁰. It is important that Trustmarks are designed and formulated in a way that is understandable for all consumers shopping in the internal market and not only for the people living in the same country as the trader.

We found that surprisingly few traders use Trustmarks. Using these labels could be a way to improve consumer confidence in e-commerce, for example, knowing that the trader has an ethical code of conduct and respects ADR scheme recommendations. Mystery Shoppers reported that 52 websites displayed a Trustmark. This means that a Trustmark was displayed on the website in only 17% of the purchases.

Out of the 52 websites that displayed a Trustmark, 46 informed about the cooling-off period, while six did not. Out of the 52 websites, 44⁴¹ traders gave the consumer a refund, while eight did not. However, out of the 44 refunds, only 21 refunded the delivery costs (i.e. the delivery cost for shipping from the trader to the consumer). This means that 23 out of 44 traders that displayed a Trustmark did not provide a refund in accordance with the Distance Selling Directive⁴². This is a figure that must be improved if Trustmark schemes are, to continue, to be considered a seal of confidence, indicating that consumers can feel more confident when shopping on a website displaying the Trustmark.

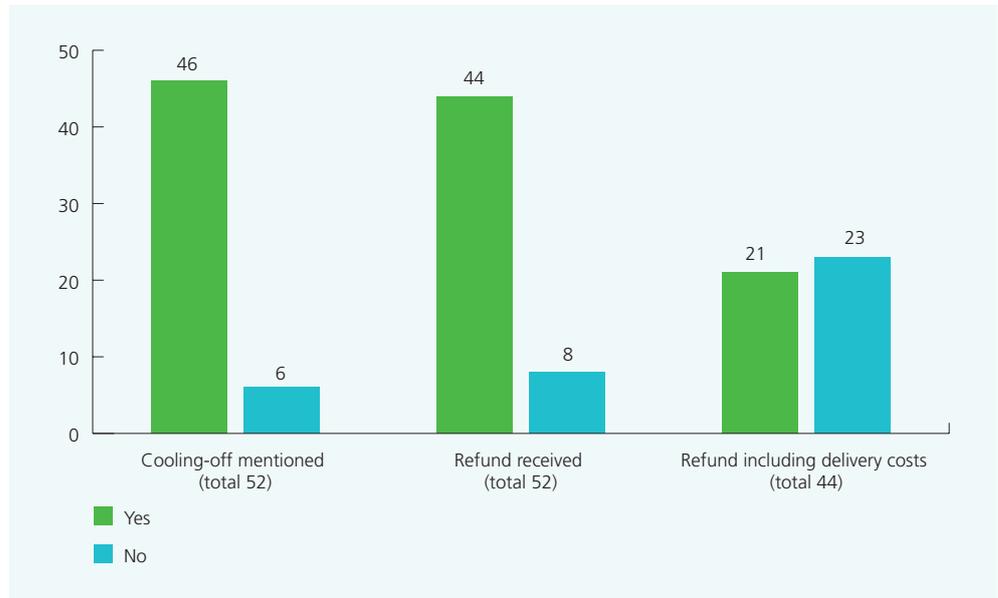
³⁹ Cf. the 2003 report, p.25 (see footnote 1).

⁴⁰ Jan Trzaskowski, “*E-commerce Trustmarks in Europe*”, p. 11.

⁴¹ Including one, where no money was withdrawn at all, but delivery was made.

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.

Fig. 13 Performance of traders with Trustmarks

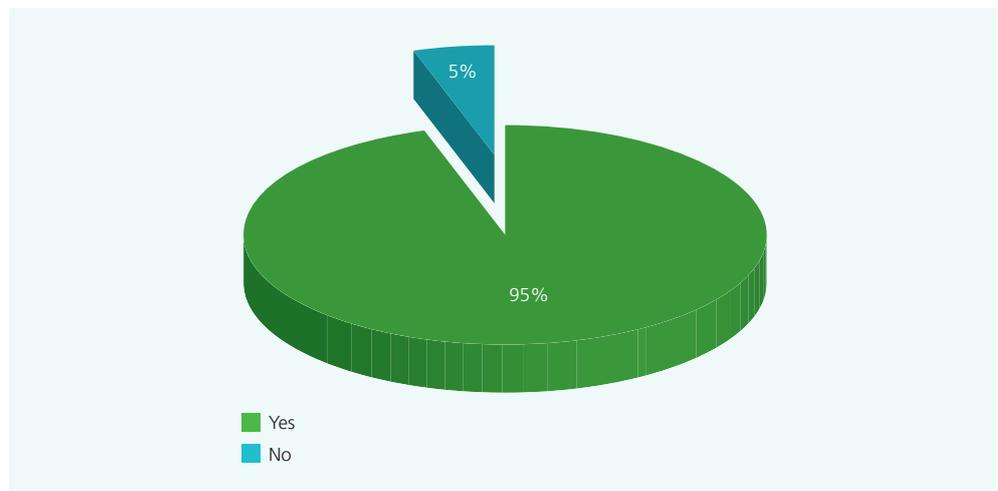


4.5. Terms and conditions

4.5.1. Accessibility of terms and conditions

Since the terms and conditions govern the contract, the consumer must be able to access them before a purchase is made. In 95% of the purchases, the terms and conditions were available to the Mystery Shopper (although sometimes they had to be searched for) before the purchase process began, and in 5% they were not available. In order for the consumer to be able to make a well-informed decision about the purchase (before the process has begun), he or she must be given the chance to carefully study the terms and conditions.

Fig. 14 Terms and conditions available when not in connection to purchase



4.5.2. Right of withdrawal

A fundamental part of distance selling is the right for the consumer to withdraw from the contract during the so-called cooling-off period. The consumer can choose whether he or she wants to keep the ordered and received product. One of the rationales for the cooling-off period is that the consumer should have the possibility to examine and see the product in the same way as if the product had not been bought through distance selling vendor (i.e. in a physical store). According to article 6 of the Distance Selling Directive⁴³, when the consumer has received the product, he or she has at least seven working days to withdraw from the contract. Several Member States, Norway and Iceland have chosen to stipulate longer cooling-off periods. The cooling-off period can range from seven working days to 15 working days as illustrated in the table below⁴⁴:

Cooling-off period	Country
7 working days	Austria, Belgium, Bulgaria, France, Ireland, Lithuania, Luxembourg, Netherlands, Slovakia, Spain, United Kingdom
8 working days	Hungary
10 working days	Greece, Italy, Poland, Romania
14 days	Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Iceland, Latvia, Norway, Portugal, Slovenia, Sweden
15 working days	Malta

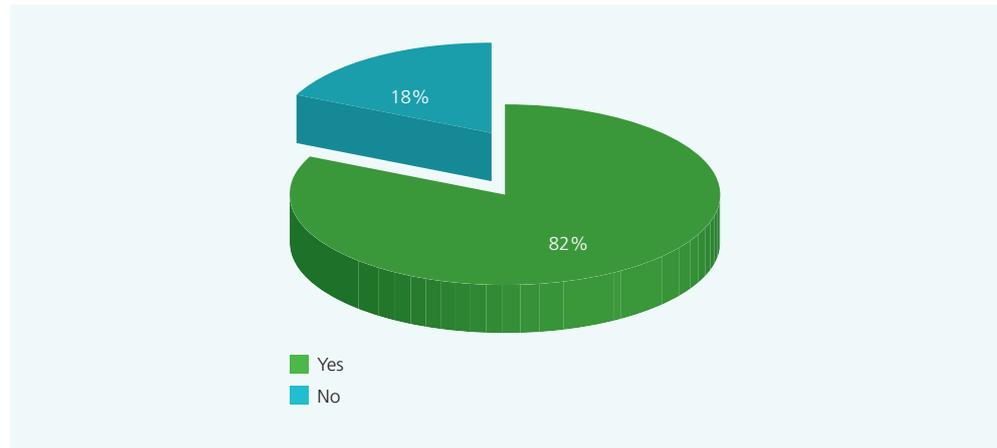
When exercising the right to withdraw from the contract during the cooling-off period, the consumer should send the product back to the trader. According to article 6 of the Directive, the trader must reimburse the consumer the full amount that has been paid. This includes the cost of shipping from the trader to the consumer. In most Member States the consumer must, however, bear the cost for returning the product to the trader.

According to article 4(1)(f) of the Distance Selling Directive, the trader must inform the consumer about the existence of the right of withdrawal during the cooling-off period. This information must be given in good time prior to the conclusion of the contract. The information must, of course, be correct. In 82% of the purchases, the cooling-off period was mentioned in the trader's terms and conditions. In 18% it was not. Since the cooling-off period is an important right in connection to distance selling, it is alarming that this vital information was missing in 18% of the purchases.

⁴³ 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.

⁴⁴ If the conditions in article 6 of the Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I) are fulfilled, the applicable law for the contract is the law of the consumer. In this event, the cooling-off period mentioned in the terms and conditions of the trader may no longer apply as the cooling-off period in the country of the consumer may be longer. It was the purpose of this project to test whether traders comply with EU-Directives as they are so-called minimum harmonisation directives. Bearing in mind the anticipation that if traders would not comply with the minimum provisions of the EU-Directives, it is not likely they would comply with national legislation either, as national legislation in many cases provides a longer cooling-off period.

Fig. 15 Terms and conditions mention cooling-off period



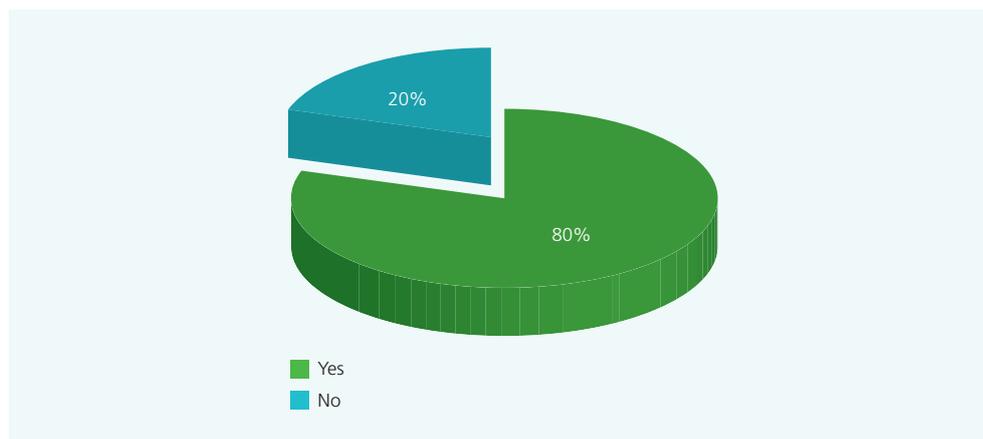
It is also alarming that in 20% of the purchases the information on the cooling-off period provided in the terms and conditions was not correct. Examples of terms not being in accordance with the law include some traders wanting the consumer to state the reason for returning the product and withdrawing from the contract, while in other cases the trader did not refund the delivery costs (shipping from the trader to the consumer). In a few cases the Mystery Shopper even reported that the trader completely rejected the right of withdrawal.

One Mystery Shopper reported that a Portuguese trader rejected the right of withdrawal (under the term “devolution”) in the terms and conditions. When the Mystery Shopper informed the trader of the wish to withdraw, the trader referred to the terms and conditions and elaborated further on the reasons for the rejection: “*We are a [...] reseller and we have already paid the [product]*” and “*We have spent transport costs just for you to see the [product]*”.

In another case, the Mystery Shopper purchased a bottle of liquor from an Austrian trader. The trader rejected the right of withdrawal as the product was perishable. According to article 6(3) of the Distance Selling Directive⁴⁵ the right of withdrawal does not apply to goods that “*are liable to deteriorate or expire rapidly*”, unless the parties have agreed otherwise. However, is liquor liable to deteriorate or expire rapidly?

⁴⁵ 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.

Fig. 16 Information on cooling-off period in accordance with the law



4.5.3. Legal guarantee

According to article 3 of Directive 1999/44/EC⁴⁶, consumer purchases of goods are covered by a so-called legal guarantee⁴⁷. The effect of the legal guarantee is that the trader is responsible for the product being in conformity with the contract (article 5(1)) at the time of delivery. This responsibility stretches over at least two years, according to the Directive; however several Member States have chosen a longer period. If any lack of conformity, in particular a defect, becomes apparent within six months of the delivery, the non-conformity is presumed to have existed at the time of delivery unless that presumption is incompatible with the nature of the product or the non-conformity (article 5(3)).

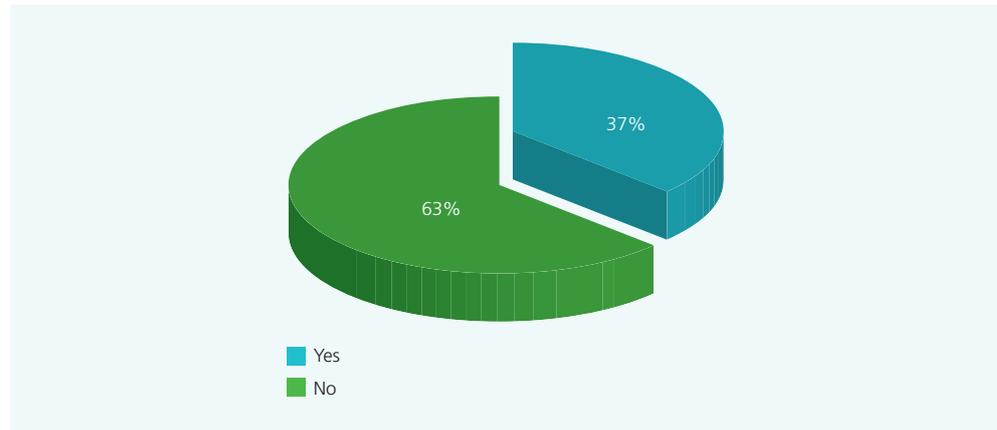
This is important information for the consumer, because it means that he or she should submit a complaint to the trader if the product is not in conformity with the contract. In some Member States consumers are even required to notify the seller of the problem within a certain period of time in order not to lose their rights. It is therefore vital that traders inform consumers of the legal guarantee.

However, traders do not seem keen to include this information since it was only presented to the Mystery Shopper in 37% of the purchases. Thus, in 63% of the purchases there was no information about the legal guarantee and the rights associated with it. In 80% of the purchases where the information about the legal guarantee was provided, the information was correct. Examples of incorrect information included statements that the legal warranty was valid for only 21 or 30 days from the purchase and that the consumer had to return the faulty item within 10 days. Mystery Shoppers also reported that sometimes the time limit for the legal guarantee was not clearly defined.

⁴⁶ 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.

⁴⁷ Legal guarantees should not be confused with commercial guarantees (or warranties). While the legal guarantee is a right against the seller laid down in the legislation, a commercial guarantee (or warranty) is a voluntary commitment issued by the manufacturer or seller. The commitment and length of the commercial guarantee (or warranty) can vary a lot.

Fig. 17 Information on legal guarantee



4.6. The purchase process

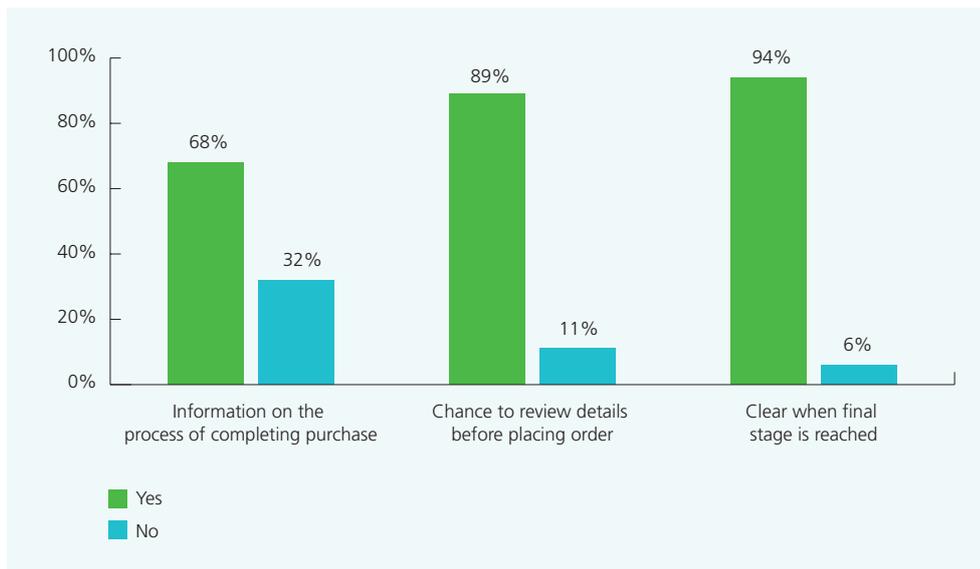
According to the E-commerce Directive⁴⁸, the trader must provide the consumer with information on the process of completing the purchase (article 10(1)(a)) and the chance to review the details of the order before placing it (article 10(1)(c)). The latter allows the consumer to correct any errors in order to spare both the trader and the consumer potential problems. To facilitate and clarify the purchasing process, a clear and simple explanation of the different steps is important since consumers need to see this to feel secure when making purchases.

In only 68% of the purchases, it was reported that the trader's fulfilled the obligation to inform about the process of completing the purchase. This is an alarming figure since it means that in 32% of the purchases the requirements stipulated in the E-commerce Directive were not met. Also, this information helps the consumer to understand when the order is placed and thus when the two parties have entered into contract.

The chance to review the details of the order before placing it was offered in 89% of the purchases, meaning that in 11% the trader did not meet the requirements of the Directive. It is not impossible for errors or mistakes to be made when entering order or personal details. It is therefore important that the consumer is given the opportunity to review this information before the order is sent to the trader. Offering the consumer this possibility benefits both the trader and the consumer. In 94% of the purchases it was clear when the final stage was reached, i.e. when the order had been placed.

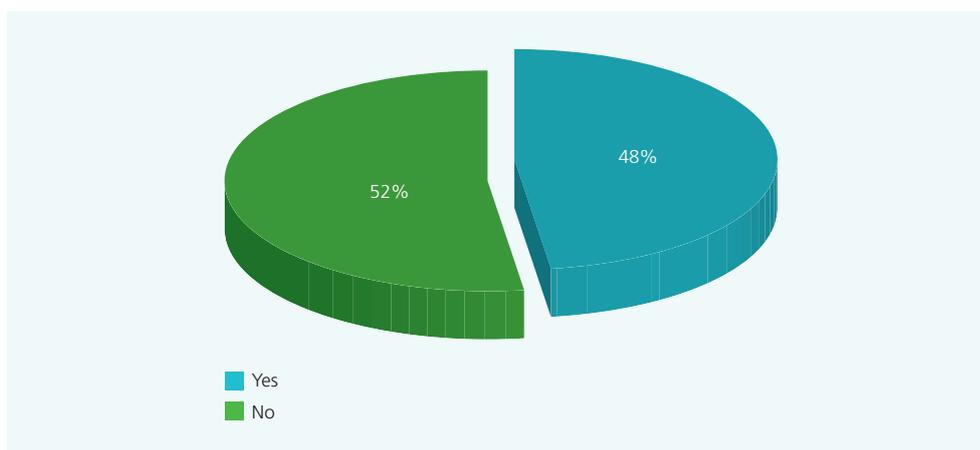
⁴⁸ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

Fig. 18 Information on the purchase process



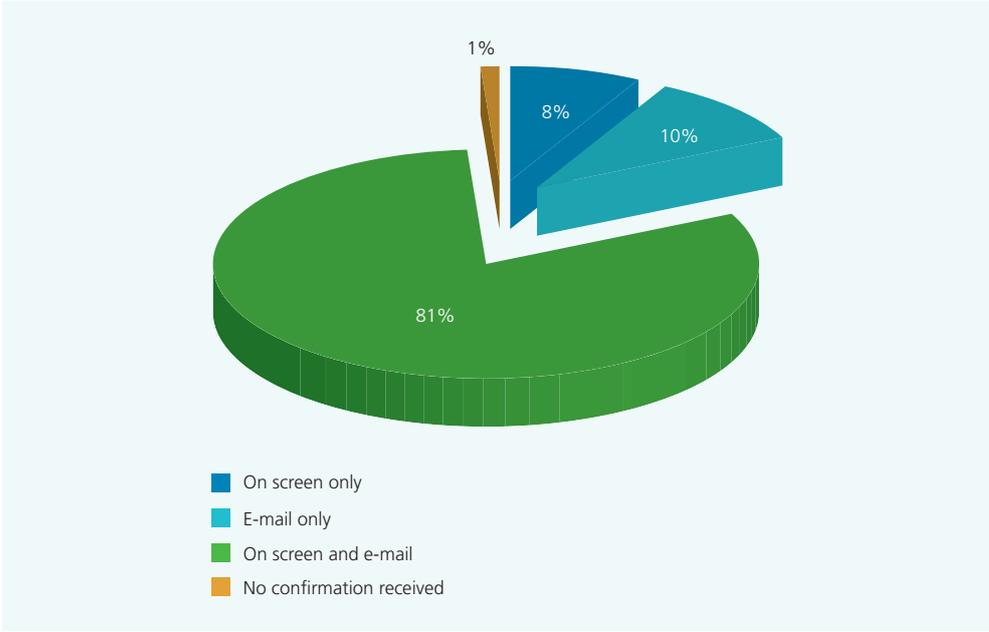
In less than half of the purchases (48%), the Mystery Shopper had to actively accept the terms and conditions before being able to complete the purchase. This is usually done by ticking a box confirming that the terms and conditions have been read and that the consumer accepts them. Since the consumer is bound by the terms and conditions after accepting them, it is important for both parties that the consumer is required to actively accept them.

Fig. 19 Necessary to accept terms and conditions before the purchase



When a purchase has been made, the consumer should receive confirmation of the order. This is to confirm to the consumer that the trader has received the order and also to confirm which items have been ordered. In 81% of the purchases, a confirmation order was received both on screen and in an email. In 10% of the purchases, a confirmation order was received only in an email and in 8% only on screen. In 1% there was no confirmation received at all.

Fig. 20 Confirmation of order



5. Delivery, products and payment

5.1. Delivery

Of the 305 purchases made, a total of 288 products were delivered. This represents a delivery rate of 94%. This is a very significant improvement from the previous 2003 report⁴⁹ where the delivery rate was 66%, with 75 products delivered out of 114 purchased. The improvement in delivery rate entails that for a total of 305 purchases 87 more products⁵⁰ have been delivered. According to the Consumer Conditions Scoreboard⁵¹, perceptions seem to be a major barrier to cross-border e-commerce. Among consumers who have not made a cross-border distance purchase, 49% are put off by expected delivery problems. The above-mentioned results show that this perception is now unfounded and will hopefully play a role in boosting consumer confidence in cross-border e-commerce.

In most of the cases where the product was not delivered, it was unclear why there was no delivery. In the few cases where it was clear, the reasons varied. In one case the trader cancelled the order because the ordered product was out of stock. In another case the delivery was unsuccessful and the package was returned to the trader. The trader asked the Mystery Shopper if it was possible to send the parcel to another address and requested an additional EUR 6 to re-send the product. In this particular case, the Mystery Shopper opted not to pay the additional EUR 6 and asked for a refund.

Fig. 21 below shows that almost 50% of the 288⁵² purchases were delivered within the week. The average delivery time for an order was 10 days, which is 1 day less than in the 2003 report⁵³. The longest delivery time was 73 days compared to 67 in 2003⁵⁴. The 73-day delivery time was experienced by a Bulgarian Mystery Shopper who purchased a garment from an Irish web trader. One must keep in mind that these figures do not take into account the products that were not delivered.

Fig. 21 Days between order and delivery



⁴⁹ Cf. the 2003 report, p.11 (see footnote 1).

⁵⁰ Note: The delivery rate was 94,42% which means 288 products out of 305 were delivered. 66% of 305 = 201 products. 288 – 201 = 87.

⁵¹ Cf. the Consumer Conditions Scoreboard, p.15 (see footnote 1).

⁵² Note: Mystery Shoppers kept track of the date when the product was available (e.g. for pick up at the post office) and when the product was actually received (e.g. picked up at the post office). When the date the product was available was not provided, the date the product was received was used for this statistic.

⁵³ Cf. the 2003 report, p.11 (see footnote 1).

⁵⁴ *Ibid.*

According to article 7 of the Distance Selling Directive⁵⁵, “Unless the parties have agreed otherwise, the supplier must execute the order within a maximum of 30 days from the day following that on which the consumer forwarded his order to the supplier”. In 26% of the purchases there was no information about delivery time, therefore those purchases should have been delivered within 30 days⁵⁶. Of the 2% of purchases that took more than 30 days to be delivered, half had no information about delivery time and should therefore have been delivered within the 30-day time limit. This 1% compares to 4% in 2003⁵⁷, which represents a reduction of 75% in the number of traders that failed to comply with the Directive.

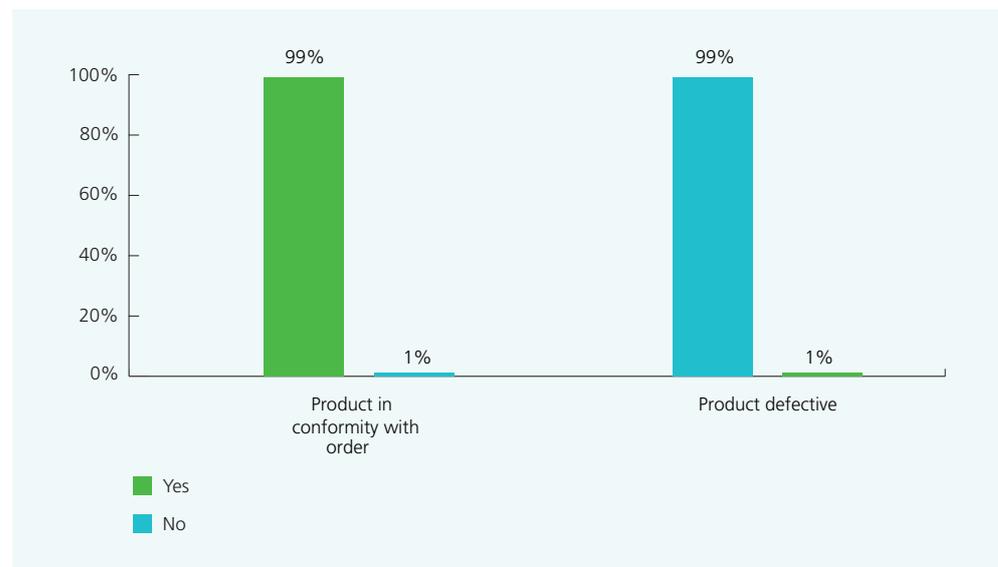
5.2. The products

After the products were delivered, the packages were opened to verify if the deliveries were in conformity with the orders and to check if the products were defective⁵⁸. As illustrated in Fig. 22 below, the results were very positive.

99% of the delivered goods were in conformity with the order. In the 4 cases where the product was considered not to be in conformity, the reasons given varied. Examples include that the product received did not correspond to the product ordered (in one case, a black plastic race watch was delivered instead of the steel grey ordered) or that only one out of two products ordered was delivered.

Only 1% of the products delivered were considered to be defective. For example, a book bought by a Polish Mystery Shopper⁵⁹ from an English trader had a minor defect on the cover. However, one must bear in mind that the products weren’t used and that products that were sealed (e.g. CDs and computer software) were not opened.

Fig. 22 The products



⁵⁵ 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.

⁵⁶ See section 4.3. “Information on delivery”.

⁵⁷ Cf. the 2003 report, p.11 (see footnote 1).

⁵⁸ See section 4.5.3. “Legal warranty”.

⁵⁹ See footnote 18.

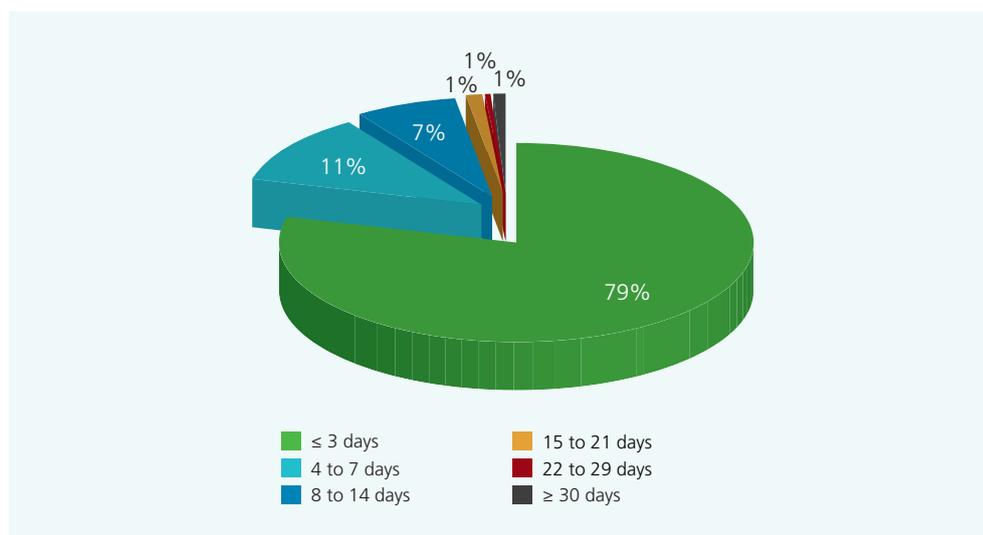
5.3. Payment

Although other payment options might have been available, it was recommended for this study that all purchases be paid for using credit cards⁶⁰, as this is the method of payment most widely recommended by the ECC-Network. Credit cards often offer protection against fraud and provide chargeback⁶¹.

5.3.1. Time of payment

The amount of time it takes for the trader to withdraw the purchase amount depends on the trader's policy. The pie chart below shows that 90%⁶² of the traders withdrew the payment from the credit card within the first week after the order was made. The average time it took the trader to withdraw payment was 2 days, which is less than in the 2003 report⁶³, where the average time was 5 days.

Fig. 23 Days between order and payment



Although there is no obligation for the trader to deliver the products within a fixed number of days after the credit card has been charged, it is interesting to note the average time from payment to delivery and to see how this has developed since the 2003 report⁶⁴. Fig. 24 shows that 62% of the goods were delivered within one week after the credit card had been charged and a total of 89% were delivered within two weeks. The average time from the payment being withdrawn to the goods being delivered was 8 days, which is longer than the average time in 2003⁶⁵, where it took 6 days. This may be due, in part, to delivery to and from Norway and Iceland, as in those cases products have to be cleared by customs. The longest time from payment date to delivery date was 73 days. What is very interesting to note is that 16 traders (6%) delivered the products before they withdrew payment.

60 Note: Online third party payment methods, such as ClickBank or PayPal, were considered to be credit card payments for the purposes of this project.

61 The chargeback option can be provided under the contract with the bank or under national law.

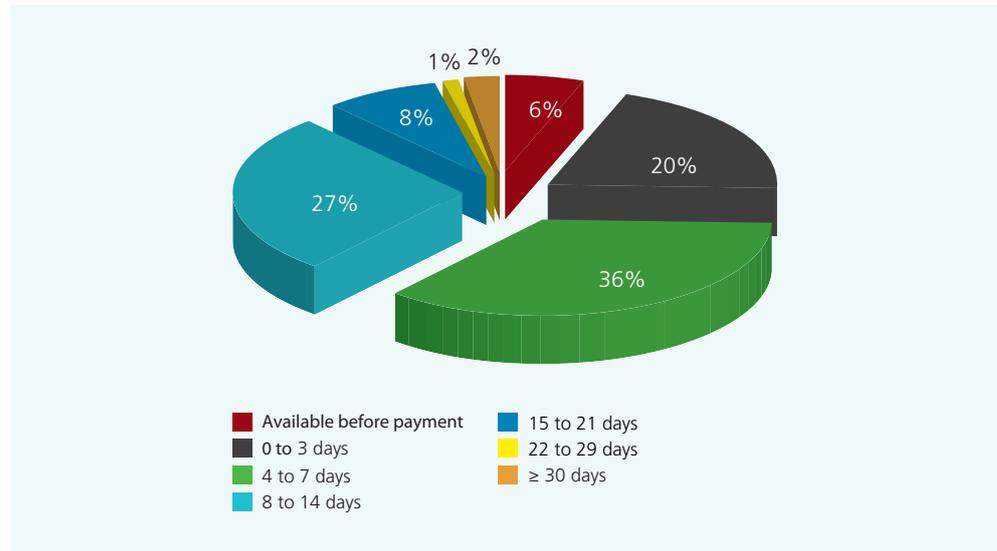
62 Note: This figure was calculated based on the number of payments made, i.e. 304 (one order was delivered and returned but the credit card was never charged).

63 Cf. the 2003 report, p.12 (see footnote 1).

64 *Ibid.*, p. 12.

65 *Ibid.*, p. 12.

Fig. 24 Days between payment and delivery



5.3.2. Unexpected costs

According to the Distance Selling Directive⁶⁶ the consumer should be provided with the total cost of the transaction prior to the conclusion of the contract. This means that the consumer should be informed about the full price of the product, including taxes and delivery costs. The consumer should also receive written confirmation and the total cost announced should be the amount charged. There should be no hidden costs for the consumer.

The prices initially quoted and advertised on the trader's websites corresponded to the final prices charged to the Mystery Shoppers. And yet in 7% of the cases, the final amount paid was not the amount the Mystery Shopper expected it would be. The reasons for the discrepancies varied. Some of the unexpected costs seem to be inherent to cross-border shopping, like currency issues, uncertainties about the amount of tax that will need to be paid and unexpected fees tied to customs clearance in cases concerning Norway and Iceland. There is clearly room for improvement in this area, as consumers should know exactly how much they will have to pay when buying a product across borders online. The fact that this is not the case could have a negative impact on consumer confidence and hinder the further development of cross-border e-commerce in the internal market. As the examples below illustrate, most of the unforeseen or additional costs were beyond the trader's control:

- **VAT and custom clearance fee.** As previously mentioned⁶⁷, when making purchases from Iceland or Norway or if you are a consumer living in Iceland or Norway and buying from a Member State, VAT should not be charged by the trader, but paid locally. As a result, the trader cannot provide information on the total cost and so the consumer might be faced with a higher total cost than he or she bargained for if he or she is not aware of the amount of taxes that will have to be paid locally. Furthermore, the consumer might have to pay a fee to the transport company who has cleared the product through customs. This was the case for a Norwegian Mystery Shopper when she purchased a blazer from Denmark. The customs clearance fee is not paid to the Norwegian State, as it is only related to customs formalities undertaken by the carrier. These formalities are usually completed automatically by the transport company, without prior notice to Norwegian consumers. However, consumers can circumvent

⁶⁶ 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.

⁶⁷ Section 4.2.2. "VAT and customs".

the customs clearance fee if they request, in advance, that the carrier does not clear the product through customs for them. This requires that they are aware of this fee and know which transport company the trader has selected for the dispatching of the goods.

- **Currency issues.** The currency issue presented itself in two different forms. In one case, an Austrian Mystery Shopper was unable to judge whether or not the correct amount had been charged by the English trader as the product was purchased in GBP but billed in EUR. A common currency-related problem presented itself when buying from a Member State (or Norway and Iceland) outside of the euro area when it came to reimbursement after having returned the product. The consumer can either save or lose money depending on the exchange rate used.
- **Bank fee.** Another example of an unexpected cost when receiving the refund presented itself when a Norwegian Mystery Shopper was requested by two different traders to provide her bank account details to receive the refund. In both cases the bank charged a fee following the reimbursement.
- **Credit card fee.** A Swedish Mystery Shopper paid more than she expected, when buying from a Danish trader because the payment method used was credit card. In the final step of the purchase process she found out that she had to pay an additional charge (1.25% of the purchase amount, including delivery costs), because she was paying with a foreign issued credit card. This is not an isolated incident. When consumers buy from Danish traders using foreign issued credit cards, they are often charged a transaction fee and in most cases this information is only revealed in the last step of the purchase process. This transaction fee can be considered a financial obstacle, especially if consumers are only informed about the fee during the purchase process and not beforehand in the terms and conditions. The Danish government is planning to introduce a bill to pass a new piece of legislation regarding such transaction fees following a statement issued by the European Commission that they are discriminating. The Danish government is currently awaiting the position of the European Commission on its proposal.
- **Other discrepancies.** In one case a Danish Mystery Shopper purchasing from a Norwegian trader was pleasantly surprised when she paid less than what had been announced by the trader, but unfortunately the reason for the discrepancy was not clear. The lack of transparency could have a negative impact on consumer confidence, even if the outcome was financially beneficial for the consumer.

6. Returns and reimbursement

One of the key elements of consumer protection when shopping online across borders is the possibility to return the product and receive a refund based on the cooling-off period as well as to be duly reimbursed if the product is not delivered. That is why the right of withdrawal, the so-called cooling-off period, is of utmost importance for consumers in online cross-border shopping.

The Distance Selling Directive⁶⁸ provides rules to protect consumers in such circumstances: the right of withdrawal and the conditions for exercising this right as well as the trader's obligation to provide written information on both⁶⁹.

6.1. Conditions and procedures for exercising the right of withdrawal

6.1.1. Information on return procedures

The Distance Selling Directive stipulates that written information on the conditions and procedures for exercising the right of withdrawal must be provided. In order to evaluate how the traders comply with the Directive, the websites were checked for those conditions and procedures. In addition, the Mystery Shoppers also searched for the availability of a customer service and the means of contact offered as well as whether there were any illegal restrictions on returns.

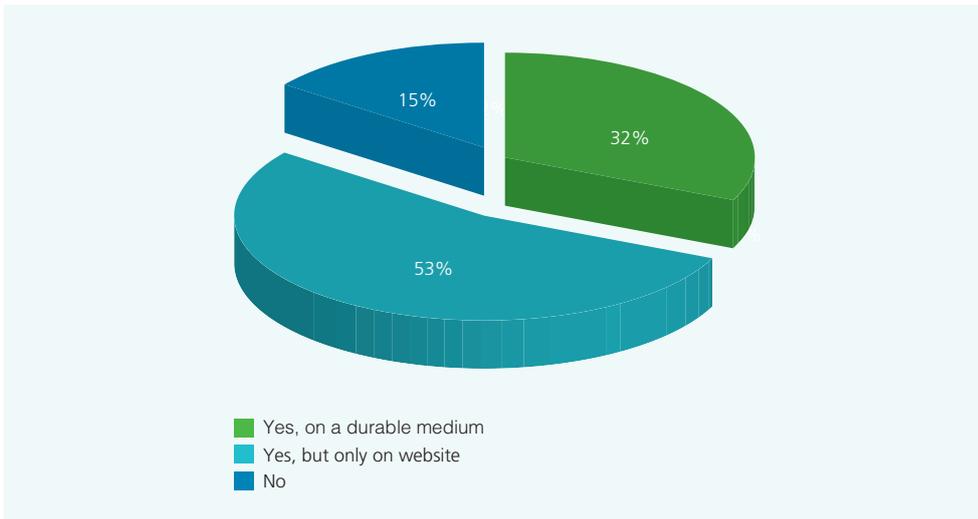
The mystery shopping exercise revealed a negative performance regarding the availability of information on return procedures. 15% of the traders did not offer any information at all. 15% of those who did provide information did not display the information in the same language as the purchase was conducted in. This effectively means that the information was unavailable. The Mystery Shopping exercise also revealed that when the information on the conditions and procedures for exercising the right of withdrawal was given, it was not always clear and concise.

Consumers should be given clear information on the procedures for returning goods, both on the websites and on a durable medium. According to the Distance Selling Directive consumers should receive this information “*prior to the conclusion*” of the purchase and the consumer should also receive written confirmation or confirmation in another durable medium “[...] *in good time during the performance of the contract, and at the latest at the time of delivery [...], unless the information has already been given to the consumer prior to conclusion of the contract in writing or on another durable medium available and accessible to him*”. As shown in Fig. 25, the information offered by traders was more often available on the websites than provided in a durable medium. Ideally the consumer should receive the information in a durable medium when the product is delivered. This would reassure the consumer of the possibility of returning the product and getting reimbursement.

⁶⁸ 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.

⁶⁹ Article 5, 6 and 7 of the Distance Selling Directive (97/7/EC).

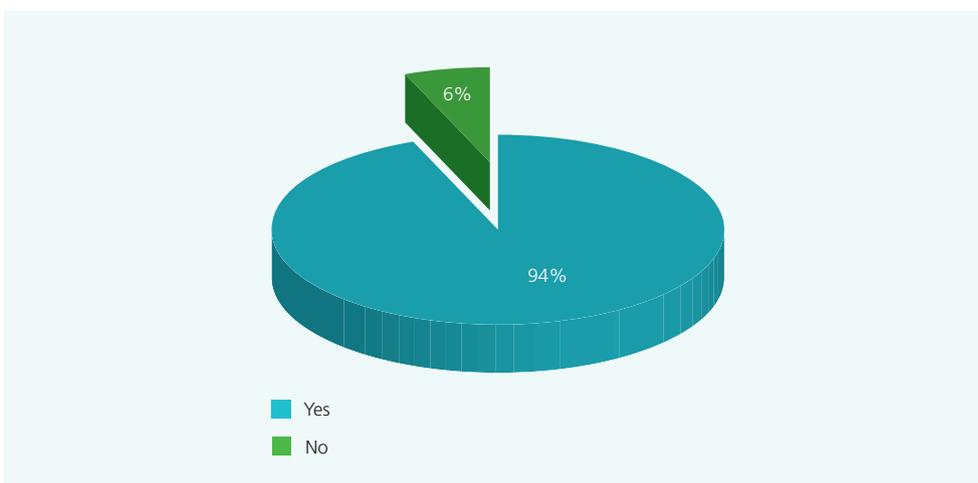
Fig. 25 Information on return procedure



According to the 2003 report⁷⁰, 36% of the deliveries received contained information on the return procedures, which is a higher percentage than has been observed in the present shopping exercise. It seems that the traders prefer to display the information on their websites, leaving it to the consumers to download/copy this information. In cases where such information is not available, the consumer have a right to believe that the product can just be returned to the address given on the website or on the package received within the time limit.

As mentioned in section 4.1. (“*General information*”), it is always important that contact information is available to the consumer. The importance is further emphasized when some traders state in their terms and conditions that consumers need to contact the trader when exercising the right to withdraw. Customer service or at least an e-mail or a contact form as means of contact with the trader were available in nearly all the websites as shown in Fig. 26. The contact form was used to contact the trader only in a very few cases (72 traders were contacted using the contact form) and in 53% of these contacts, a receipt of the submission and/or a confirmation email, including the query, was not received, which may be seen as a low performance of the traders offering this mean of contact.

Fig. 26 Contact information available



⁷⁰ Cf. the 2003 report, p.15 (see footnote 1).

6.1.2. Restrictions on returns

Some illegal restrictions on return were found:

- **Trader asks consumer to fill in a form and give a reason for the return and in certain cases the consumer had to wait for the trader's answer before sending back the product.** The latter was the case when a Mystery Shopper contacted a Swedish trader via email to inform of the desire to withdraw from the contract. After a few days with no response, the Mystery Shopper found out that she had to log into the account and fill in an application to withdraw (she did not have to give reason though). The Mystery Shopper was instructed to wait to receive a return code. After receiving the code, the Mystery Shopper was informed that it had to be used within 5 days of submitting the application.
- **Denial of the right to withdraw and to be reimbursed.** One Mystery Shopper reported that a Portuguese trader denied the existence of a right to withdraw in the terms and conditions. The trader never reimbursed the Mystery Shopper even though the product was returned to the trader⁷¹.
- **Exclusion of certain sales from the right to withdraw.** One German trader started out by completely denying the Mystery Shopper any right to withdraw. At a later point during the correspondence between the parties it emerged that the trader had denied the Mystery Shopper the right to withdraw due to the nature of the purchase. The Mystery Shopper had purchased CDs and DVDs. Information on the right to withdraw, return procedures and reimbursement was not provided on the website. When the Mystery Shopper withdrew from the contract and requested reimbursement, the trader refused to accept the return by quoting the German Civil Code: "*The right of withdrawal is NOT valid for distance contracts [...] for the delivery of audio and video recordings or software, as long as the delivered medium has been unsealed by the consumer*". The trader explained that they assumed that the product had been unsealed and that therefore according to the law they could not accept the return. The Mystery Shopper informed the trader that the seals had not been broken. Eventually the trader acknowledged the right to withdraw, but ended up not reimbursing the delivery costs.
- **Exclusion of some products,** such as sports bottles, glasses and mugs. In one case, an Austrian trader denied the right to withdraw because the product in question was "*perishable*"⁷².
- **Establishment of a minimum value under which the right to withdraw cannot be exercised.** In the information on durable medium provided with one of the products received from a Norwegian trader, it was stated that if the value of the product is less than NOK 300, there is no right of cancellation (cooling-off period).
- **Request that the product be returned by the same means as it was delivered.** This was the case when a Mystery Shopper reported that an Austrian trader requested that the product be returned by a specific courier. First, the trader denied any right to withdraw. After some correspondence, the trader acknowledged the existence of the right to withdraw but demanded that the Mystery Shopper use a courier that would end up costing almost the same amount that the Mystery Shopper had paid for the product (more than EUR 100). The Mystery Shopper ultimately returned the package by standard post and received the reimbursement (excluding delivery costs).

⁷¹ The purchase was also referred to in section 4.5.2. "*Right of withdrawal*".

⁷² *Ibid.*

- **Cooling-off period not in compliance with the law.** In one case, a Spanish trader rejected the Mystery Shopper's right of withdrawal stating that there is no EU legislation on the cooling off period⁷³.

6.2. Returning products to test the right of withdrawal in practice

All products received were returned using the right of withdrawal within a period of at least seven working days and without giving a reason⁷⁴. However, some traders requested to be previously contacted and provided return codes. One in three traders asked to be given a reason for the withdrawal, which can be deemed illegal and turns out to be a higher percentage than in the 2003 report⁷⁵ (24%).

Some Mystery Shoppers faced difficulties returning the products under the right of withdrawal either due to a lack of adequate and clear information or because, after contacting the trader, the procedures to be followed were too complicated or expensive. These effectively deter the consumer from exercising his or her right to withdraw. This was for example the case when the traders requested that a specific method of return be used instead of the standard postal service, e.g. an Austrian trader who requested that the product be returned with a specific courier, which would have cost almost the same as the price of the product⁷⁶.

Another aspect of the issue was experienced when it was noted that a package containing the returned product was taking an unexpectedly and unusually long time to reach the trader. This was the case for an Austrian Mystery Shopper who returned a product to a trader in Italy which took 57 days to arrive at the trader's office in Bolzano. Such long delays cause uncertainty and can cause financial loss for consumers, because the reimbursement of the purchase price is also delayed.

6.2.1. Reimbursements

Article 7 of the Distance Selling Directive⁷⁷ stipulates that if ordered goods are not delivered, consumers are entitled to obtain a refund of any sums they have paid. Fig. 27 below illustrate how this rule was observed by the traders in this shopping exercise. It shows that in only 3% of the purchases, products were not delivered and were not reimbursed either⁷⁸. On the other hand, it also shows that 85% of the products received and returned were reimbursed, although a full amount of reimbursement was not received in all cases as explained in the following section.

⁷³ The purchase was also referred to in section 6.2.1. "Reimbursements".

⁷⁴ *Note:* In some of the cases where a reason was asked for on a return slip, it did not appear to be a condition from the trader. In some cases, it can also be regarded as positive if the trader asks for a reason, as it may represent a wish from the trader to improve the website or the products sold.

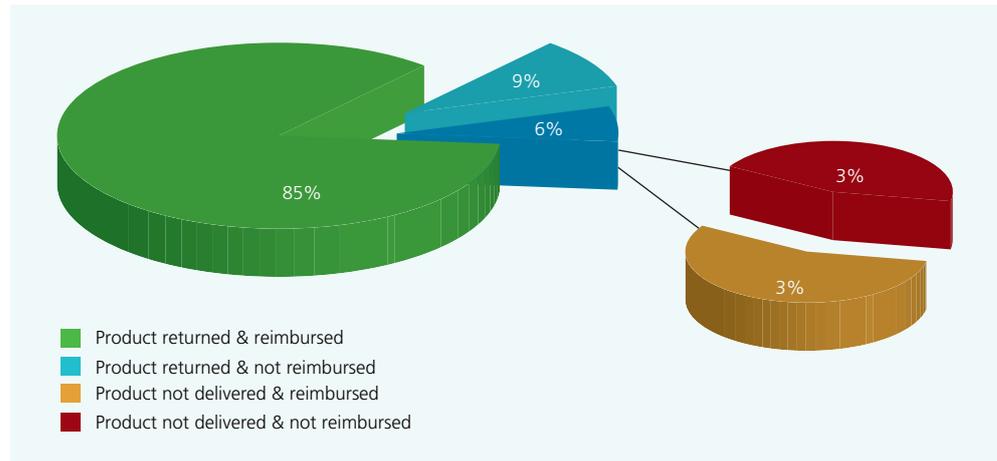
⁷⁵ Cf. the 2003 report, p. 13 (see footnote 1).

⁷⁶ This case is discussed in more detail in section 6.1.2. "Restrictions on returns".

⁷⁷ 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.

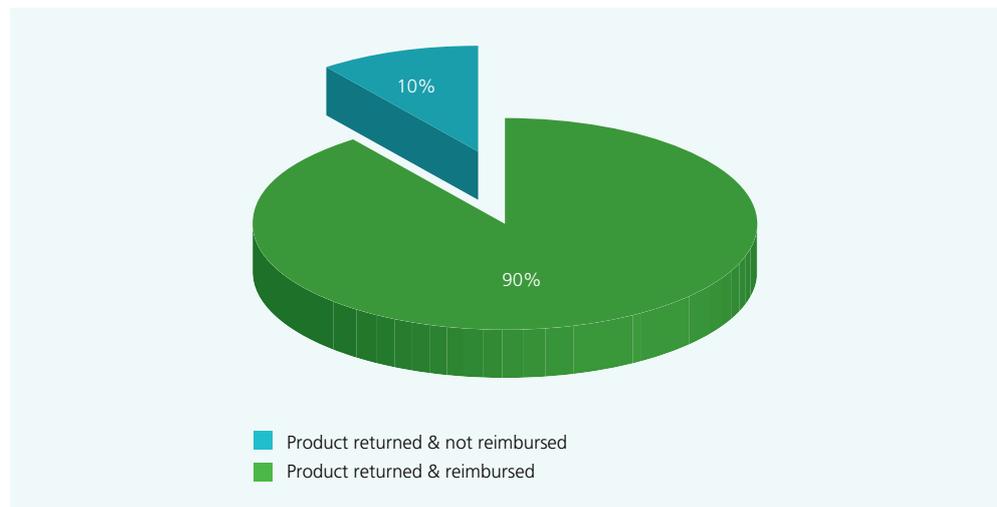
⁷⁸ *Note:* The values in Fig. 27 were rounded off from 3.3% and 2.6%, respectively, which explains why the small pie is not cut into equal sizes.

Fig. 27 Reimbursements of all purchases



Article 6 of the Distance Selling Directive establishes that where the right of withdrawal has been exercised by the consumer, the supplier is obliged to reimburse the sums paid by the consumer. The conclusion from Fig. 28 below is that reimbursement was received for 90% of the products returned. This rate is higher than observed in 2003⁷⁹ (68.5%), thus leading to the conclusion that improvements have been achieved in this area.

Fig. 28 Reimbursements of products returned



This mystery shopping exercise revealed that there are still some traders in the e-commerce sector who ignore the relevant provisions of the Directive, as was the case of a Spanish trader who explained the decision not to reimburse the Mystery Shopper in the following terms: “We have received your return but must inform you that you are not entitled to a refund on the following two counts. There is no EU norm on a ‘cooling-off’ period and the present practice in Spain is seven days. The total value of you [sic] purchase is less than €60 (excluding postage) and does not, therefore, qualify for the consideration above.”

⁷⁹ Cf. the 2003 report, p. 13 (see footnote 1).

According to the law of some EU countries, consumers are also entitled to a reimbursement of the return costs when exercising their right of withdrawal. This is the case in Finland⁸⁰, Germany⁸¹, Greece and Lithuania.

6.2.2. Reimbursement of delivery costs

The reimbursements received were not always in compliance with the Distance Selling Directive⁸². In the majority of returns, the amount reimbursed was not the total amount the Mystery Shopper paid, which means that most of the traders did not reimburse delivery costs and in some cases even after being requested to do so according to the law. For instance, this was the case with a Lithuanian trader and a British trader. The full amount reimbursement rate observed in this shopping exercise was lower than that observed in 2003⁸³ (43% and 53%, respectively).

Some traders agreed to reimburse the delivery costs after the Mystery shopper reminded them of their legal obligation. This was, for example, the case with two Irish traders, one British trader and one Cypriot trader, who immediately informed the Mystery Shopper that they would also reimburse the delivery costs after receiving a reminder from the Mystery Shopper.

One Norwegian Mystery Shopper was not that lucky. The Mystery Shopper received only reimbursement for the product purchased, not the delivery costs. After reminding the French trader of the obligations according to the EU-legislation, the trader responded “[...] Our return policy is available here: [link to terms and conditions provided]. It is in French, but it explains that when you are returning a product a customer can not [sic] claim back the shipping cost. Moreover, Norway is not part of the European Union...”.

Fig. 29 Amount of reimbursement



In almost all cases, no reason was given why the traders did not reimburse the full amount paid. In general, the very few answers given by traders stated only that they do not reimburse handling and delivery costs or that they cannot accept withdrawals. Similar statements were also found in some terms and conditions displayed in the websites. One example is the case of a Polish trader who claimed that “no refund of shipping” was included

80 If possible to return by standard post.

81 The principle applied in Germany, is the return costs to be paid by the trader. However, the regular costs of return shipment may be imposed by contract on the consumer if the price of the goods being sent back does not exceed an amount of EUR 40 or if, where the price is higher, the consumer has, at the date of the revocation, not yet rendered consideration or given a partial payment, unless the goods supplied do not correspond to those ordered.

82 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.

83 Cf. the 2003-report, p. 14 (see footnote 1).

in their terms and conditions and they therefore “*have no obligation to refund the shipping cost*”.

As mentioned above, reminders were sent to the traders. In some cases the traders immediately replied back with an excuse and informed that they would issue the reimbursement of delivery costs right away. However, the share of traders who did not respond to the reminders or did not respond positively was by far the largest.

Other than the cases where delivery costs were not reimbursed, some Mystery Shoppers also incurred charges they could not foresee when buying the product, such as those related to currency exchange differences and bank fees for payment of purchases made to traders outside the euro area which did not accept payments in euros⁸⁴.

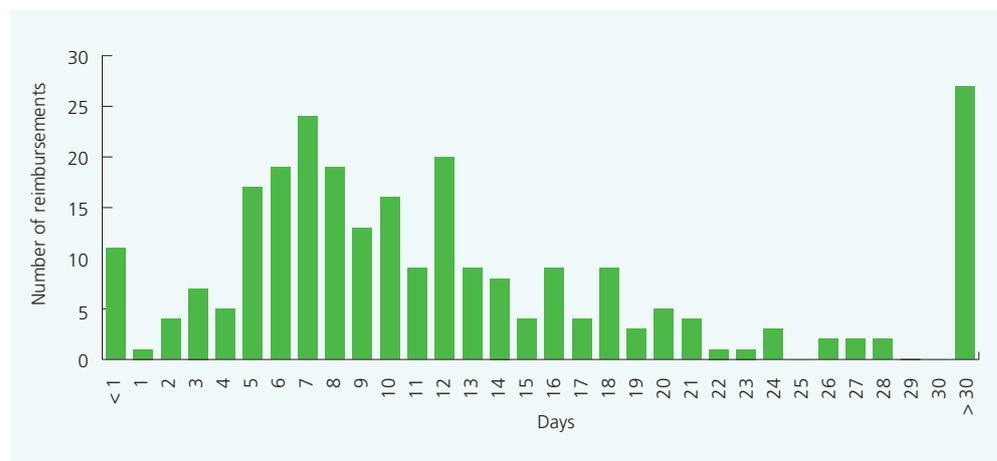
6.2.3. Reimbursement time

According to the Distance Selling Directive⁸⁵, traders must reimburse consumers of the sums they are entitled to within a time limit of no more than 30 days after receiving the products returned by consumers and at no charge to the consumers.

Fig. 30 below shows that 46% of the reimbursements were received within 7-14 days as opposed to the 60% of the 2003 report⁸⁶ for the same period. Fig. 30 also shows that 10% of the reimbursements took place after 30 days. In this group of cases, the time spent by traders to reimburse Mystery Shoppers ranged from 31 days to 66 days, as was the case of an Italian trader reimbursing a Finnish Mystery Shopper. Some of these cases were also related to traders arguing that they did not receive the product returned and only after several attempts did they finally pay the reimbursement.

The reimbursements made in less than one day were related to the fact that the date of reimbursement on the credit card statement was the same as the date of purchase or the date of payment, which does not allow a clear understanding of which was the exact period of time spent to reimburse the Mystery Shopper.

Fig. 30 Days between return & reimbursement



⁸⁴ Please see section 5.3.3. “*Unexpected costs*”.

⁸⁵ 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.

⁸⁶ Cf. the 2003 report, p. 14 (see footnote 1).

Without considering the extreme limits in the chart (<1 day and >30 days)⁸⁷, the average time to reimburse resulting from this shopping exercise was 14 days. In the 2003 report⁸⁸ the upper extreme was included, which gave an average time of 13 days. If we had used this method here our average would be higher than the quoted 14 days.

6.2.4. Means of reimbursement

As shown in Fig. 31 below, almost all reimbursements were carried out by crediting the credit card used to pay for the purchase, while bank transfer was used by the trader only in a very few cases. The trader did not charge any fees for reimbursement.

There were two cases of reimbursement by means of a voucher instead of money, which can be considered negative for consumers if they do not want to keep using such traders for further purchases. This is also not in accordance with the Distance Selling Directive⁸⁹. In one of these cases, the terms and conditions of the trader stated that the price of the product would only be reimbursed with a voucher and if the customer chooses another product at a later stage, the delivery costs would be covered by the trader.

Fig. 31 Means of reimbursement



87 Note: The extreme limits were not taken into consideration because of the reason stated above regarding the cases with less than one day and also because the time limit given in the Directive is 30 days. This results in an average reference for those traders reimbursing within the legal time limit.

88 Cf. the 2003 report, p.14 (see footnote 1).

89 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.

7. Website problems prior to purchase

7.1. Difficulties in searching for relevant web traders

As previously mentioned, the purpose of this project was to test the current state of cross-border e-commerce within the internal market. As described in section 3.3. (*“Selection of websites”*), the working group and project participants experienced some problems when trying to collect the necessary number of qualified websites.

A total of 675 websites were submitted to the working group, which was pretty close to the foreseen total of 680 (40 websites from 17 countries each). The members of the working group distributed a list of 20 websites from this pool of 675 to each participant. It was decided that more purchases should be made from the countries with the highest number of web traders. The principle that consumers are more likely to shop across borders with their neighbours due to shorter distance and fewer language barriers was taken into account.

The Mystery Shoppers (17 participants) were instructed to carry out 20 purchases each. Unfortunately their task faced some difficulties as only 40% of the submitted websites met the criteria set out by the working group. This caused problems for the Mystery Shoppers as many websites had to be substituted during the shopping exercise itself. It also caused extra work for the working group as new websites had to be searched for once the spare ones from the pool had been distributed in order to maintain the number of purchases.

Fig. 32 Traders that did not match the criteria

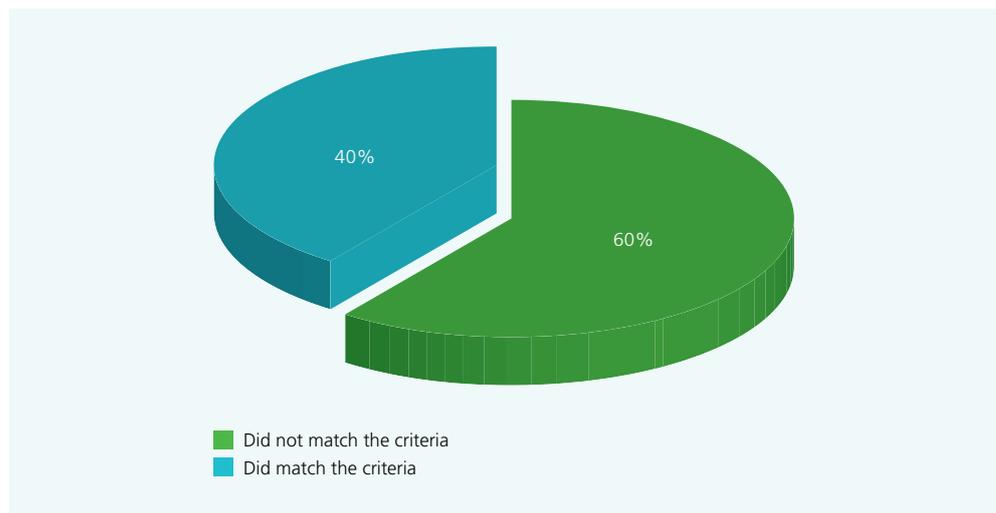
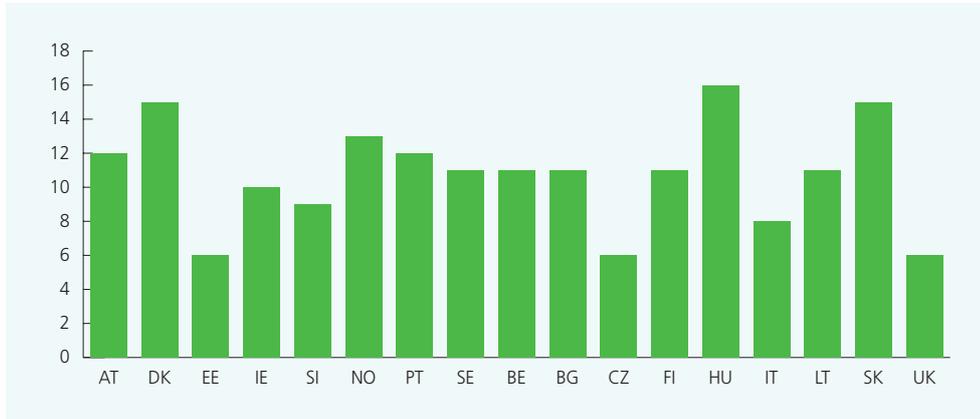


Fig. 33 shows the number of traders that did not match the criteria as reported by the Mystery Shoppers. The largest number of traders that did not match the criteria, and therefore had to be substituted, were reported by the Hungarian Mystery Shopper (16 traders), the Slovakian and Danish Mystery Shoppers (15 traders each), Norwegian Mystery Shopper (13 traders), Austrian and Portuguese Mystery Shoppers (11 traders each).

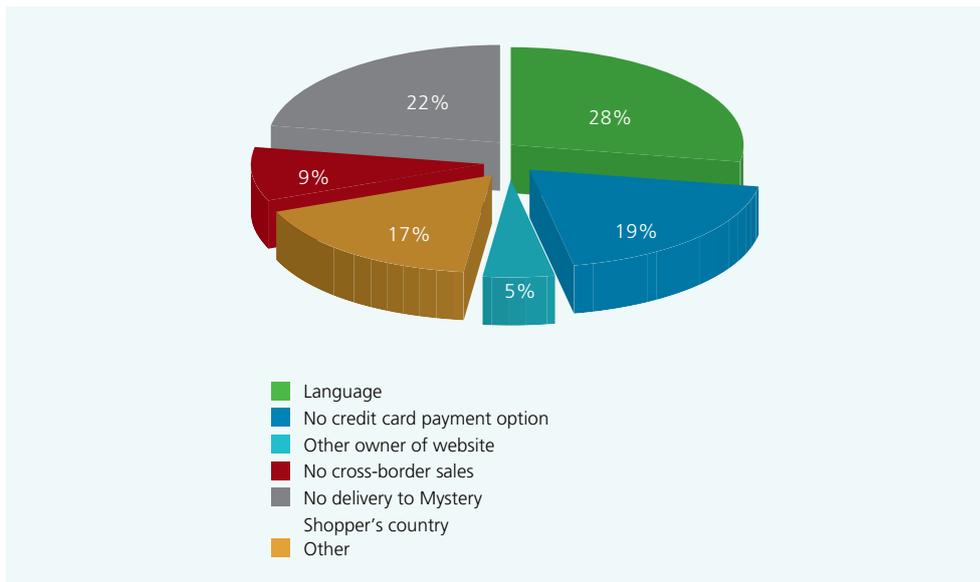
Fig. 33 Number of traders that Mystery Shoppers had to substitute



The nature of problems fall within six separate categories:

1. Language
2. No credit card payment option
3. Other owner of website
4. No cross-border sales
5. No delivery to Mystery Shopper's country
6. Other

Fig. 34 Problem areas of websites that did not match the criteria



As can be seen in Fig. 34 above, the three key categories are language (28%), no delivery to Mystery Shopper's country (22%) and no credit card payment option (19%). Together, these categories gave rise to 69% of the total number of problems reported.

Problems with language was the largest category of problems reported, accounting for 28%. Within the category of language problems, in the vast majority of cases the Mystery Shopper could not understand any of the languages in the website (no English available)

or the very first page of the website was in English, but the next pages appeared in the trader's language (partly in English).

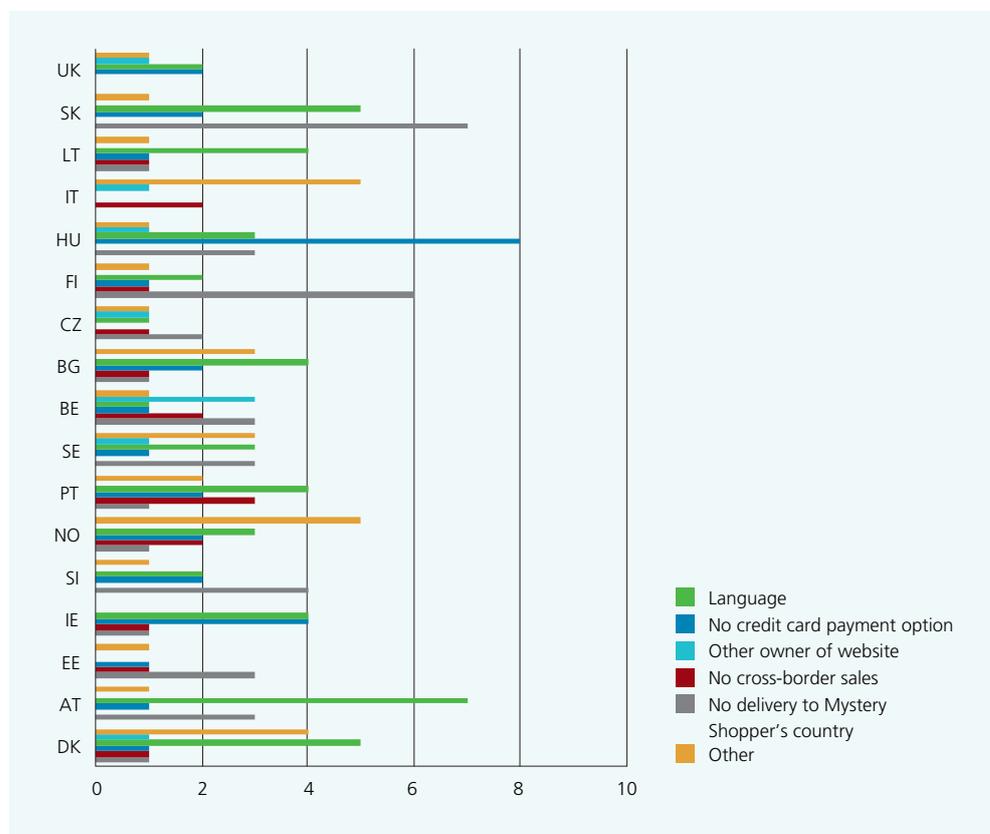
Problems with no delivery to the Mystery Shopper's country formed the second-largest category, accounting for 22% of all problems reported. Within this category, the vast majority of cases concerned shipment restrictions, i.e. there was no delivery to the Mystery Shopper's country.

Problems with no credit card payment options formed the third category, accounting for 19% of all problems reported. Some Mystery Shoppers experienced at a later stage that they could not use their credit card if they wanted to make a purchase.

Problems with websites that did not match the criteria of providing cross-border sales (traders only sold domestically) accounted for 9%. Problems with websites that did not match the criteria that the owner of website had to be European accounted for 5%. Within the category of other problems (17%), the vast majority of cases concerned many technical irregularities, e.g. errors during the process of making the purchase, pages of websites that did not load etc.

The breakdown of the categories of problems reported to each ECC is given in Fig. 35 below.

Fig. 35 Problem areas of websites that did not match the criteria (reported by Mystery Shopper to the each ECC)



7.2. Difficulties in making purchases

It was decided that 340 purchases should be made within this project (17 Mystery Shoppers were to make 20 purchases each); however, in the end only 305 purchases were made. This section explains why 35 purchases could not be counted in.

7.2.1. No delivery, no money withdrawal

There were purchases where an order had been placed but no product had been delivered and no money was withdrawn. For example, a Belgian Mystery Shopper received an email from an Italian trader three months after the order had been made stating that there were some problems with the authorisation of the credit card. The trader did not deliver the goods as a result of the problem with the payment. For the purposes of this project, the members of the working group decided that this type of case should not be counted as a purchase.

Another example of this problem was a Mystery Shopper who placed an order on a Hungarian website and paid for the product using a credit card. After three days, the trader contacted the Mystery Shopper by email to say that the product was not in stock in the desired colour. The trader offered other colours but, at the same time, informed the Mystery Shopper that their online payment service was currently out of order. The trader therefore asked the Mystery Shopper to pay by “collect on delivery” or “bank transfer”. At this stage the Mystery Shopper cancelled the order.

7.2.2. Theft

Cross-border shoppers cannot avoid possible threats while making purchases online. At the beginning, ECC Poland had also signed up for the project. However, after one purchase had been made, the credit card data of the Polish Mystery Shopper was stolen. Several procedures were run by the Polish bank, police and Banking Ombudsman to deal with the problem. This example shows that shoppers are still at risk when buying online, that is why they must be made aware of the possible threats. The Mystery Shopper was not able to use an alternative credit card for the remaining 19 purchases, and as a result ECC Poland was unable to participate in the project.

7.2.3. Payment made with other means than a credit card

For the purpose of selecting the traders before making the purchases, the working group drafted a guide including instructions on a minimum set of criteria. ECCs were instructed that the web traders had to accept debit or credit cards as a method of payment⁹⁰. However, some Mystery Shoppers used bank transfers or cheques as they were the only methods available in the websites. The members of the working group decided not to count these types of cases as purchases in the questionnaires, because the Mystery Shoppers did not follow the minimum set of criteria.

7.2.4. Non-European origin of website

The project covers cross-border online shopping in the Member States plus Norway and Iceland. However, an Estonian Mystery Shopper reported that a purchase had been made from a non-European trader (American). The Mystery Shopper reported that on the first sight, the website looked like it was British, but later he found in the information in the terms and conditions that the trader was American. The purchase had been made, and the product was also eventually delivered to the Mystery Shopper; however the trader refused to accept the return of the product from the Mystery Shopper. For the purposes of this project, the working group decided not to count these types of purchases.

⁹⁰ Note: Online third party payment methods, such as ClickBank or PayPal, were considered to be credit card payments for the purposes of this project.

7.2.5. Technical problems

Cross-border shoppers cannot avoid possible technical errors while making purchases online. For example, some Mystery Shoppers had to cancel orders because technical errors arose at the time of finalising the purchase – the Mystery Shoppers could not make the payment. In some cases, due to technical errors the web traders cancelled the orders and subsequently informed the Mystery Shoppers.

One example of this problem was experienced by a Mystery Shopper who tried to purchase from a Norwegian trader. Upon submitting the delivery address, the Mystery Shopper was presented with a failure notice on the screen stating that information was missing (even though all fields had been filled in).

In another case, the Mystery Shopper was in the final stage of the order process. When the order was submitted, the page loaded for a while. As the page finished loading, the Mystery Shopper could see that it was still the last stage of the process that was displayed on the screen. The Mystery Shopper tried to submit the order again two more times with no result. Just to be sure, the Mystery Shopper contacted the trader via email to inform them of the problems experienced and to find out whether an order had been placed. The trader never replied.

8. CPC relevant issues

8.1. CPC authorities

Considering the intra-Community infringements⁹¹, it was appropriate to facilitate cooperation between public authorities responsible for enforcement of the laws that protect consumers' interests and to contribute to the smooth functioning of the internal market. Therefore it was projected to establish a network of public enforcement authorities throughout the Community for the purpose of sharing information.

The Consumer Protection Co-operation Regulation⁹² sets the conditions under which the competent authorities in the Member States designated as responsible for the enforcement of the laws that protect consumers' interests must cooperate with each other and with the Commission in order to ensure compliance with those laws and the smooth functioning of the internal market and in order to enhance the protection of consumers' economic interests.

The Consumer Protection Co-operation Regulation covers breaches of 15 EU legal acts, including issues such as misleading advertising, package holidays, timeshares and distance selling.

The Consumer Protection Co-operation Network (CPC-Net) was established by the Consumer Protection Co-operation Regulation and is formed by more than 200 authorities responsible for the enforcement of at least one of the legal acts listed in the Regulation. All the authorities in the network have similar investigation and enforcement powers, which include the possibility of carrying out on-site inspections. Each one of them is able to call on any other member in the network for assistance in their investigations and enforcement actions. Simultaneous investigations and common enforcement actions, such as Internet sweeps, can be coordinated through the network. The sweep is a new kind of enforcement action – a systematic check carried out simultaneously in different Member States to investigate breaches of consumer protection law and co-ordinated by the European Commission.

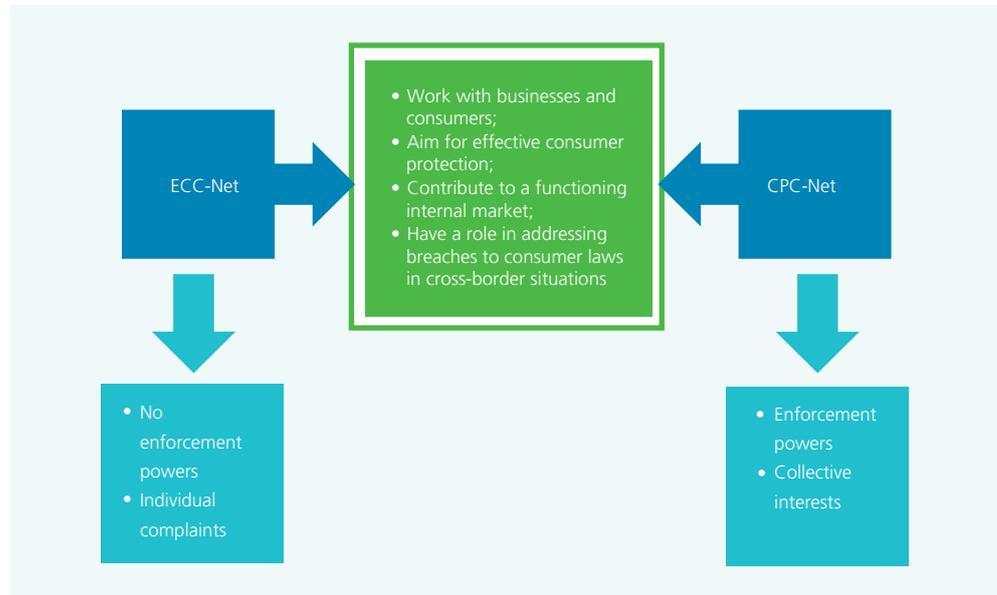
8.2. Cooperation between the ECC-Net and the CPC-Net

The issue of cooperation between the two networks (ECC-Net and CPC-Net) was first discussed at network level in 2007 as they share common elements, i.e. work with the same market players (businesses and consumers), aim for effective consumer protection, contribute to a well-functioning internal market and play a role in addressing breaches of consumer laws in cross-border situations. A clear, concise system of cooperation had to be installed because these two networks not only share common elements, but they also share some important differences: ECCs have no enforcement powers, the CPC authorities do; ECCs deal with individual complaints, the CPC authorities deal with collective interests.

⁹¹ Regulation (EC) No 2006/2004 of the European Parliament and Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (text with EEA relevance), article 3(b): “any act or omission contrary to the laws that protect consumers' interests, that harms, or is likely to harm, the collective interests of consumers residing in a Member State or Member States other than the Member State where the act or omission originated or took place; or where the responsible seller or supplier is established; or where evidence or assets pertaining to the act or omission are to be found”.

⁹² *Ibid.*

Fig. 36



In the course of the co-operation between ECC-Net and CPC-Net, the CPC authorities may take measures that help resolve consumer complaints originally filed with ECC-Net. Most of the ECCs cooperate with the CPC authorities in their country, and these cooperation arrangements range from “ad-hoc” arrangements to the signing of formal cooperation agreements. The cooperation arrangements include, notably, the following areas: exchange of case-related or sector-related information through (regular) contacts, case referrals, legal advice, sweeps, awareness-raising measures like information campaigns, specific arrangements related to the case handling of certain types of complaints. Both networks benefit from the cooperation in terms of both efficiency and effectiveness in their work.

8.3. Issues of interest for the CPCs

The questionnaire completed by the project participants also provided information on any breaches of law that the Mystery Shopper experienced during the shopping exercise. As described above, the cooperation between the two networks offers some advantages in the common pursuit of improving conditions in the internal market for consumers.

With these reasons in mind, the members of the working group decided that relevant material should be handed over to the CPC-Net. The members of the working group strongly believe that the problems which were encountered by Mystery Shoppers will most likely also be encountered by other cross-border e-commerce shoppers, and the protection of the collective interest is the competence of CPC-Net. According to the participating ECCs, in 173 cases out of 305 there was an issue that should be of interest to the CPC-Net.

Fig. 37 Anything to report to the CPC authority?

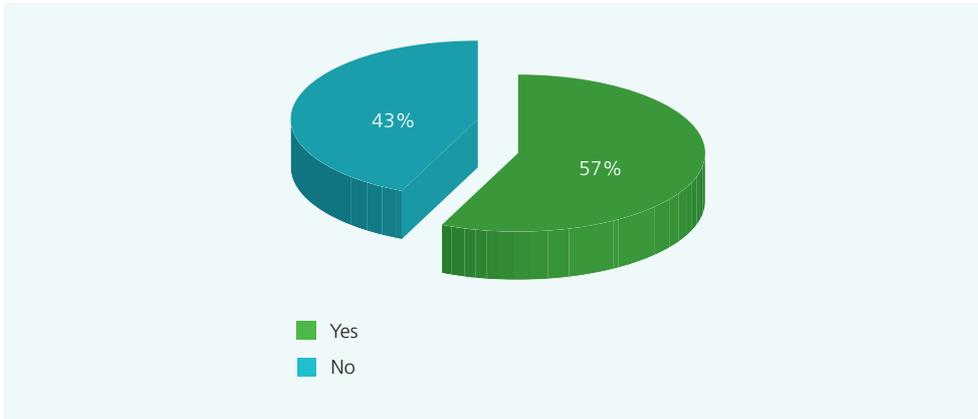
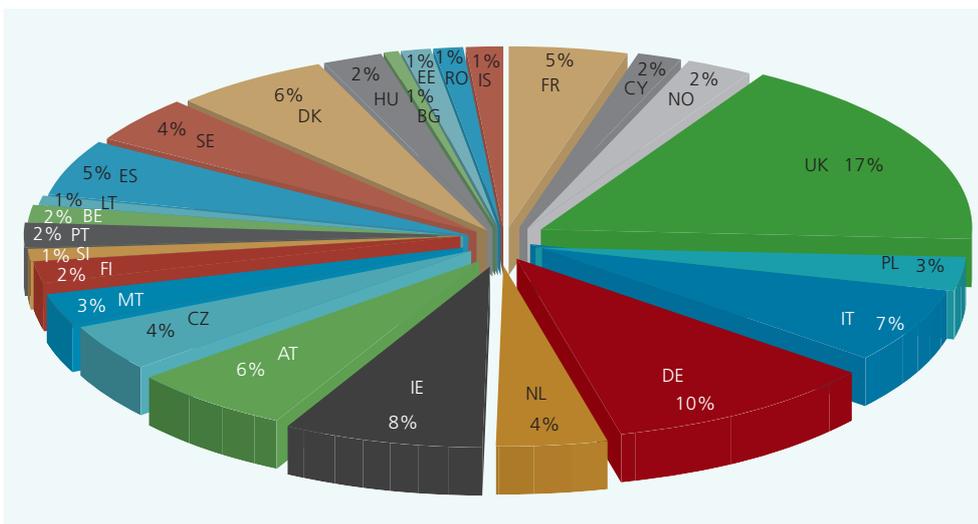


Fig. 37 below also shows that on British (17%), German (10%), Irish (8%), Italian (7%), Austrian (6%), Danish (6%) and French (5%) websites consumers experienced problems which should be reported to the CPC authorities by the ECCs. However, these figures are rather unsurprising given the fact that these countries represent some of the largest e-commerce markets in the internal market. It is not intended to suggest or infer that there are any inherent problems as such with traders in these countries.

Fig. 38 Country of webtrader



The nature of the main problems which should be reported by the ECCs to the CPC authorities are as follows:

- No delivery and no refund (partial refund without any explanations)
- Trader did not accept the right of withdrawal
- The Mystery Shopper had to give a reason for returning the goods
- No reimbursement of delivery costs
- Lack of legal information (no terms and conditions, no information about cooling-off period, legal warranties)
- Trader did not fulfil the order in 30 days

9. Conclusions and recommendations

9.1. Conclusions

Even though the internet is often referred to as a borderless market, there are still some barriers to overcome in order to reach the goal of the European Commission in 2015⁹³. The general picture shows improvement when it comes to the delivery of the product. But if consumers decide to withdraw, they can still expect to run into some problems.

9.1.1. Barriers for online cross-border shopping

First of all, it was surprisingly difficult to find enough web traders who were willing to sell cross-border. The data show that almost 60% of the websites initially submitted for the project were not usable. Some websites did not meet the criteria established by the working group for the purposes of this project from the beginning, while others had changed conditions in the period between the time of selecting the websites and the time of distribution hereof.

Another barrier to online cross-border shopping is the language of the websites. The research results show that only 61% of the websites used in the shopping exercise provided information in more than one language. In 2003⁹⁴ the corresponding figure was only 24% so when comparing the data, the 61% still represents a huge improvement. Even if parts of the 39% of the websites that are only operated in one language are operated in English, this can still represent a barrier to cross-border trade.

9.1.2. Level of information on the websites

It is very important, and a legal requirement, that the consumer receives information about the trader the consumer is considering buying from. Without knowing where the trader is based it can be difficult to know which level of protection applies to the purchase⁹⁵. In 3% of the cases, information about the trader could not be found. Even if this figure seems relatively low, it is still one of the most essential pieces of information the consumer needs about the trader. One perfect example of this is a purchase made by a Mystery Shopper on what turned out to be an American website⁹⁶.

Consumers should also know whether or not they are buying from a secure website and to what extent their personal data is protected. In 16% of the purchases, the Mystery Shopper reported that it was not clear whether or not the site was secure and in 20% the Mystery Shopper reported that there was no privacy policy available on the website. In order to increase consumer confidence in online shopping across borders, these figures need to improve.

In 95% of the purchases, the terms and conditions were available before entering into a purchase process, but the legal requirement to inform about the cooling-off period was only met in 82% of the purchases. This means that in 18% of the purchases, the Mystery Shopper was not informed about the legal right to withdraw from the contract. This is a rather disturbing result. However, it was worse to discover that the websites contained information about the legal warranty and the rights connected to it in only 37% of the purchases. Furthermore the information given about these rights was only correct in 80% of the cases.

In only 68% of the purchases did the trader provide information to consumers on the process of completing the purchase. The figure is higher when it comes to providing the

93 European Commission: "A Digital Agenda for Europe", COM(2010) 245, p. 41.

94 Cf. the 2003 report, p. 17 (see footnote 1).

95 Please refer to section 4.5.2. "Right of withdrawal" and the appertaining footnotes.

96 Please refer to section 4.1.1. ("Information about the trader") for further details on this purchase.

consumers with the possibility to review the details of the order before placing it. This possibility was provided for in 89% of the purchases. The obligation to provide this information follows from the E-commerce Directive⁹⁷.

9.1.3. Not always easy to contact trader

It was troubling to find that Mystery Shoppers reported in 12% of the cases that an email address could not be found, especially when considering the medium used for communication between the trader and the potential buyers is electronic. The existence of an email address is a signal to the consumer that the trader is easy to reach if it should be necessary. It is therefore distressing to see that so many traders do not provide this possibility.

9.1.4. Trustmarks

The presence of a Trustmark on a website is supposed to indicate that consumers can feel confident when shopping there. First of all, it must be clear to the consumers that a Trustmark is present. If this is the case, it must also be possible for the consumer to know exactly what this Trustmark represents. According to the data, only 52 traders were members of a Trustmark scheme (17% of all traders used in the shopping exercise). We found that 88% of these traders mentioned the cooling-off period in their terms and conditions, compared to 80% for the total number of traders. 84% of the traders with Trustmarks reimbursed the Mystery Shopper after the product was returned within the cooling-off period. This should be compared to 90% of the traders in total. However, 48% of the traders with Trustmarks did reimburse the Mystery Shopper the full amount (i.e. including delivery costs), compared to 43% in total. There is an indication from these figures that traders who are members of a Trustmark scheme apparently do not perform differently than other traders with no Trustmark. Therefore, there seems to be a need for improvement in this area.

9.1.5. Delivery and payment⁹⁸

When it comes to delivery of ordered products, the delivery rate was 94% (of which 99% were in conformity with the order⁹⁹). In comparison to the 2003 report¹⁰⁰ where the delivery rate was only 66%, a rate of 94% is a remarkable improvement. It is also positive to find that within seven days from the order date, almost 50% of all deliveries had taken place, and within 14 days 86% of all purchases were delivered¹⁰¹. From these figures, it is possible to conclude that cross-border traders have improved remarkably when it comes to delivery of the ordered products.

On the negative side, it should be noted that only in 5% of the purchases did the Mystery Shopper qualify for the offer for free delivery, even when it was offered on approximately 2/3 of all the websites. The main reasons for not being eligible for free delivery were geographical and economic restrictions.

Another observation was the fact that in 93% of the purchases, the web trader withdrew only the agreed amount from the credit card. The discrepancies in the remaining 7% of the purchases were mainly due to VAT, customs clearance and currency issues.

9.1.6. Withdrawals return procedure and reimbursements

Many traders did not inform about consumer rights regarding return procedures, the right of withdrawal, after sales service and legal warranty on a durable medium. This information was mainly given on the website, often in the terms and conditions or the customer service section.

97 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

98 *Note:* When looking at the time of payment compared with the time of delivery, it took on average eight days (two days longer than in 2003, according to p. 12 of the 2003 report - see footnote 1) from the time of payment to delivery of the package.

99 *Note:* A corresponding figure could not be retrieved from the 2003 report.

100 Cf. the 2003 report, p. 11 (see footnote 1).

101 *Note:* One must keep in mind that these percentages do not take into account the products that were not delivered.

Consumers do not have to give any reason when returning the products within the cooling-off period. However, one in three traders asked to be given a reason for the withdrawal, which is not in conformity with the rules laid down in the Distance Selling Directive and represents an additional difficulty for consumers to exercise their rights.

Consumers are entitled to be reimbursed of the sums paid to the trader, when exercising their right to withdraw from the contract. One example of a positive result observed with this project is given by the 90% of reimbursements received after returning the products to the traders.

However, this project also revealed significant problems when it comes to reimbursement of delivery costs. In 57% of the purchases the trader did not reimburse the delivery costs. In some cases, even after the Mystery Shopper had reminded the trader of its legal obligations to reimburse these costs, the Mystery Shopper still did not receive the money from the trader. In addition to the poor result of 57% purchases lacking full reimbursement it should also be noted that in 7% of all the purchases made, the trader did not inform about the price of the delivery costs. In 2003 the corresponding percentage of purchases where the Mystery Shopper did not receive reimbursement of delivery costs was 53%. The result from this project could therefore indicate a negative development noting that the figure was lower in 2003.

9.1.7. CPC issues to inform about

The ECCs reported that in 173 cases out of 305 there was an issue¹⁰² that could be of interest to the CPC-Net. Even if the project only tested each trader with a single purchase, it is still believed that, due to the nature of the problems, there is a non-negligible potential risk that the problems will be experienced by other consumers. The working group therefore decided to provide the relevant information about the issues in question to the CPC authorities. The nature of the main problematic issues are illegal terms and conditions (not accepting right of withdrawal), no reimbursement (partial or in full) and lack of legal information (no terms and conditions, no information about cooling-off period and/or legal warranty).

9.2. Recommendations

9.2.1. Increased cooperation with businesses (trade organisations)

Some of the findings of the report are alarming. One of the main issues is the lack of information on the cooling-off period and the legal warranty on the websites; another is the lack of reimbursement of delivery costs. The different levels of protection to take into consideration can constitute a jungle especially for companies who do not have in-house legal counsel or other easy access to legal counsel. An increased cooperation between consumer and trade organisations could be beneficial in this context.

According to the rules of the E-commerce Directive¹⁰³, a trader must inform in which languages a contract can be conducted in. As this constitutes a natural limit as to whom the trader wishes to do business with, it can also be recommended that traders inform more explicitly on their websites if there are limitations to whom they wish to sell. In many cases, the Mystery Shoppers had to spend a substantial amount of time searching for the different types of information on the websites, only to find that the trader did not sell to their countries.

¹⁰² Note: Issues were mainly found on British (17%), German (10%), Irish (8%), Italian (7%), Austrian (6%), Danish (6%) and French (5%) websites. The working group has interpreted this as a “natural” distribution, when also taking into consideration the fact that these countries are among the largest e-commerce markets.

¹⁰³ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

9.2.2. Trustmarks

Traders with a Trustmark present on their website did not necessarily perform better than those without one. This certainly calls for improvement if Trustmarks are to (continue to) serve as a seal of confidence. Perhaps this is an area that could also benefit from an increase in cooperation between consumer and trade organisations. In addition, it was reported to the working group that it wasn't always clear if there was a Trustmark displayed on a website, especially due to language barriers. Therefore it is possible that more than 52¹⁰⁴ traders were members of a Trustmark scheme but that the Trustmark had not been recognized by the Mystery Shopper. If we want Trustmarks to play a role in increasing consumer confidence in online cross-border shopping, they should be designed and formulated in a way that is understandable for all consumers shopping in the internal market.

9.2.3. Enhance the visibility of the ECC-Net

There is a definite need to keep on informing consumers about their rights and obligations in order to increase consumer confidence in online shopping across borders in the internal market. Here the ECC-Net can continue to play an important role, but in order to do so we need to actively inform consumers about our existence and what we do. The ECC-Net does not only focus on providing information on consumers rights, but also provides practical advice (e.g. tips on how to avoid fraud, general tips for shopping online, providing information on secure payment methods) and assists consumers in resolving their cross-border complaints. Increasing the visibility of the ECC-Net is a key factor if we want to reach consumers.

9.2.4. Market transparency

More transparency in the market would be preferable. In connection with the recommendation stated above in section 9.2.1. (*“Increased cooperation with businesses (trade organisations)”*), it may also be a good idea to exchange more information on legislation or make it more easily accessible to trade organisations. It seems that a majority of traders lack sufficient knowledge about certain provisions of the legislation. The requirement to reimburse delivery costs when the consumer uses the right of withdrawal can serve as a clear example. This requirement is applicable everywhere in the European internal market since it has been transposed in all the countries, but still denied by some traders. To raise awareness about consumer protection rules in place seems therefore a crucial point.

Furthermore, considering the problems that were encountered when trying to find a sufficient number of websites for this project, it seems that the market needs more traders who are willing to sell online across borders. It seems that both traders and consumers would benefit from more transparency in the market in the long term, as transparency would contribute to minimising the differences for a trader to sell to the domestic market only or to sell across borders. If more traders would sell online across borders, it would also provide for a wider range of products for the consumers to select from. This would further make the market more efficient and create healthy competition in the market, which would ultimately benefit the customer with lower prices.

104 See section 4.4.3. *“Trustmarks”*.

9.3. The message to consumers

Generally, the conditions in the cross-border e-commerce market for consumers have improved since the previous projects were carried out. The main problem regarding delivery of the ordered product seems to have been reduced remarkably. This was illustrated by the very high delivery rate of the shopping exercise. In almost all cases, the delivered product was in conformity with the order and there were almost no defects. This means that, in most cases, consumers can expect to have the ordered product delivered and it will be in good shape. In the very few cases where an amount was withdrawn even though no product was delivered, the trader reimbursed the money in 50% of the cases¹⁰⁵. In the remaining cases, the consumer may be able to ask the credit card issuing bank or company for a chargeback.

Taking into account the very high delivery rate experienced during the shopping exercise combined with the extra security that may be provided by using credit card as the means of payment, the conclusion for consumers is, therefore, that they can generally feel confident when shopping online across borders.

However, consumers should make sure to look closely at the website they are considering shopping from. Look for contact details. Make sure there is an email address to the trader and make sure that the trader's company is registered in the EU, Norway or Iceland. Tips on what to look for can be found in the e-commerce checklists on the ECC websites. Our study shows that in most cases this information is there and is easy to find. If the information is missing, then this may be an indication that the consumer should choose another online store. We assume that most of the purchases made online are successful purchases of products that the consumer wants to keep. However, the consumer has a legal right to withdraw from the contract without giving a reason and should not be afraid to use this right if he or she wishes.

Our advice to consumers is “**be prepared, not scared!**”

¹⁰⁵ See section 6.2.1. (“Reimbursements”) for further details.

Appendix 1

– Questionnaire used for data collection¹⁰⁶

Website	
Name of website?	
A. INFORMATION IN CONNECTION WITH PURCHASE	
General information	
Product category?	Select category: <ul style="list-style-type: none"> ■ 1. Clothing ■ 2. Sporting goods ■ 3. Household goods ■ 4. Books ■ 5. Music CD ■ 6. DVD films ■ 7. Video or computer game ■ 8. Computer software (non-downloadable) ■ 9. Electronic equipment ■ 10. Products for personal care
Which product purchased?	
Name of mystery shopper?	
Date of purchase?	Select date [10 January - 23 January]
Information on web trader	
Name of trader/company?	Select answer: <ul style="list-style-type: none"> ■ Available and easy to find ■ Available but had to search ■ Not available
Country of web trader?	Select answer: <ul style="list-style-type: none"> ■ Available and easy to find ■ Available but had to search ■ Not available

¹⁰⁶ Left column: questions asked; right column: preselected answers provided as drop down.

If yes, please select country	<p>Select country:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Austria <input type="checkbox"/> Belgium <input type="checkbox"/> Bulgaria <input type="checkbox"/> Cyprus <input type="checkbox"/> Czech Republic <input type="checkbox"/> Denmark <input type="checkbox"/> Estonia <input type="checkbox"/> Finland <input type="checkbox"/> France <input type="checkbox"/> Germany <input type="checkbox"/> Greece <input type="checkbox"/> Hungary <input type="checkbox"/> Iceland <input type="checkbox"/> Ireland <input type="checkbox"/> Italy <input type="checkbox"/> Latvia <input type="checkbox"/> Lithuania <input type="checkbox"/> Luxembourg <input type="checkbox"/> Malta <input type="checkbox"/> Netherlands <input type="checkbox"/> Norway <input type="checkbox"/> Poland <input type="checkbox"/> Portugal <input type="checkbox"/> Romania <input type="checkbox"/> Slovakia <input type="checkbox"/> Slovenia <input type="checkbox"/> Spain <input type="checkbox"/> Sweden <input type="checkbox"/> United Kingdom
Trader's physical address?	<p>Select answer:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Available and easy to find <input type="checkbox"/> Available but had to search <input type="checkbox"/> Not available
Trader's company registration number?	<p>Select answer:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Available and easy to find <input type="checkbox"/> Available but had to search <input type="checkbox"/> Not available
Trader's phone number?	<p>Select answer:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Available and easy to find <input type="checkbox"/> Available but had to search <input type="checkbox"/> Not available
Trader's email address?	<p>Select answer:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Available and easy to find <input type="checkbox"/> Available but had to search <input type="checkbox"/> Not available

Contact form?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Language(s) of the website	
Language the purchase was conducted in?	Select language: <input type="checkbox"/> Bulgarian <input type="checkbox"/> Czech <input type="checkbox"/> Danish <input type="checkbox"/> German <input type="checkbox"/> Greek <input type="checkbox"/> English <input type="checkbox"/> Dutch <input type="checkbox"/> Estonian <input type="checkbox"/> Finnish <input type="checkbox"/> French <input type="checkbox"/> Hungarian <input type="checkbox"/> Icelandic <input type="checkbox"/> Irish/Gaelic <input type="checkbox"/> Italian <input type="checkbox"/> Latvian <input type="checkbox"/> Lithuanian <input type="checkbox"/> Maltese <input type="checkbox"/> Norwegian <input type="checkbox"/> Polish <input type="checkbox"/> Portuguese <input type="checkbox"/> Romanian <input type="checkbox"/> Slovak <input type="checkbox"/> Slovenian <input type="checkbox"/> Spanish/Basque/Catalan/Galician <input type="checkbox"/> Swedish
Different languages offered?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, how many other languages offered?	Select number [1-29]
Additional remarks on the questions above?	
Price information	
Price of product?	

Please select currency	Select currency: <input type="checkbox"/> Euro EUR <input type="checkbox"/> Bulgarian Leva BGN <input type="checkbox"/> Czech Koruny CZK <input type="checkbox"/> Danish Krone DKK <input type="checkbox"/> British Pound GBP <input type="checkbox"/> Estonian Krooni EEK <input type="checkbox"/> Hungarian Forint HUF <input type="checkbox"/> Icelandic Kronur ISK <input type="checkbox"/> Latvian Lats LVL <input type="checkbox"/> Lithuanian Litas LTL <input type="checkbox"/> Norwegian Krone NOK <input type="checkbox"/> Polish Zlotych PLN <input type="checkbox"/> Romanian Lei RON <input type="checkbox"/> Swedish Kronor SEK
Did the first price presented include all charges except delivery costs?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Did the first price presented include all charges including delivery costs?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Clear whether VAT is included?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Price available in the currency of the mystery shopper?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Especially for purchases in or out of Norway and Iceland: Clear whether customs is included in the price?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Especially for purchases in or out of Norway and Iceland: Clear which amount you are charged for customs?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Delivery information	
Clear whether product is in stock?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

Information on when the product will be sent?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on delivery method?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on delivery time?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on delivery costs?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Free delivery offered?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is free delivery restricted?	Select restriction: <input type="checkbox"/> Yes, geographical restrictions apply <input type="checkbox"/> Yes, economic restrictions apply <input type="checkbox"/> Yes, for a limited time only <input type="checkbox"/> No restrictions
Is delivery of your purchase affected by the restrictions on free delivery?	Select restriction: <input type="checkbox"/> No free delivery due to geographical restrictions <input type="checkbox"/> No free delivery due to economic restrictions <input type="checkbox"/> Free delivery offer had expired <input type="checkbox"/> No restrictions
Additional remarks on the questions above?	
Payment methods available	
Credit card?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Debit or bank card?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Bank transfer?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

Online payment methods (e.g. PayPal)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Payment via invoice?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Cash on delivery?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Clear whether shopping at a secure site?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Trustmarks	
Trustmark(s) present?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
1. Name of Trustmark?	
1. Explanation of Trustmark present?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
1. Link provided for verification of Trustmark (e.g. click on logo)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Name of Trustmark?	
2. Explanation of Trustmark present?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Link provided for verification of Trustmark (e.g. click on logo)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Name of Trustmark?	
3. Explanation of Trustmark present?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

3. Link provided for verification of Trustmark (e.g. click on logo)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Privacy information	
Privacy policy available?	Select answer: <input type="checkbox"/> Available and easy to find <input type="checkbox"/> Available but had to search <input type="checkbox"/> Not available
Necessary to create account before being able to make a purchase?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on passing on of personal information to third parties?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, possible to prevent passing on of information to third parties?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Terms & conditions	
Terms & conditions generally easily accessible on website (when not in connection with purchase)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Available but had to search for them?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Not available (when not in connection with purchase)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Terms & conditions presented (text or link) during the process of the purchase - but before conclusion of purchase?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Necessary to accept terms & conditions before possible to conclude purchase?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

Mention cooling-off period?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is the information in compliance with the law?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on legal warranty period?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please indicate if in compliance with the law?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Information on the process of completing purchase?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Chance to review details before placing order?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Clear when final stage (before placing order) is reached?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
On screen confirmation immediately or email received within a few minutes after placing the order?	Select type of confirmation: <input type="checkbox"/> Yes, on screen confirmation <input type="checkbox"/> Yes, email received within few minutes <input type="checkbox"/> Yes, received both on screen confirmation and email <input type="checkbox"/> No confirmation received
Additional remarks on the questions above?	

B. INFORMATION IN CONNECTION TO DELIVERY OF PRODUCT

Arrival of the product

Notice of dispatch received?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date when product available (e.g. available for pick-up at post office)	Select date [10 January - 4 February]
Available within time quoted by trader before the purchase?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

Date when product actually received (or actually pick-up at, e.g., post office)?	Select date [10 January - 4 February]
Additional remarks on the questions above?	
Product	
Product in conformity with order?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Product defective?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Payment	
Total amount paid including all costs?	
Currency?	Select currency: <input type="checkbox"/> Euro EUR <input type="checkbox"/> Bulgarian Leva BGN <input type="checkbox"/> Czech Koruny CZK <input type="checkbox"/> Danish Krone DKK <input type="checkbox"/> British Pound GBP <input type="checkbox"/> Estonian Krooni EEK <input type="checkbox"/> Hungarian Forint HUF <input type="checkbox"/> Icelandic Kronur ISK <input type="checkbox"/> Latvian Lats LVL <input type="checkbox"/> Lithuanian Litas LTL <input type="checkbox"/> Norwegian Krone NOK <input type="checkbox"/> Polish Zlotych PLN <input type="checkbox"/> Romanian Lei RON <input type="checkbox"/> Swedish Kronor SEK
Amount as expected?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If no, please indicate discrepancy (amount)	
Reason for discrepancy?	
Did trader inform you about time of payment?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Time of payment?	Select date [10 January - 4 February]
Additional remarks on the questions above?	

Information included	
Confirmation or invoice in a durable medium received after the purchase and at the time of delivery, at the latest?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Written information (durable medium) on cooling-off period?	Select answer: <input type="checkbox"/> Yes, and in compliance with the law <input type="checkbox"/> Yes, but not in compliance with the law <input type="checkbox"/> No
Written information (durable medium) on trader's physical address?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Written information (durable medium) on trader's email address?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Written information (durable medium) on after-sales service, legal warranty (and conditions for commercial guarantee if provided)?	Select answer: <input type="checkbox"/> Yes, and in compliance with the law <input type="checkbox"/> Yes, but not in compliance with the law <input type="checkbox"/> No
Additional remarks on the questions above?	

C. INFORMATION IN CONNECTION TO RETURNS AND REFUNDS

Information available regarding returns procedures	
Information on return procedures offered?	Select answer: <input type="checkbox"/> Yes, on a durable medium <input type="checkbox"/> Yes, but only on website <input type="checkbox"/> No
Information on return procedures available in the same language purchase was conducted in?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Contact information (customer service) available?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If you contacted trader via contact form - did you receive a receipt for submission and/or an email confirmation, including your query?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Return label provided?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

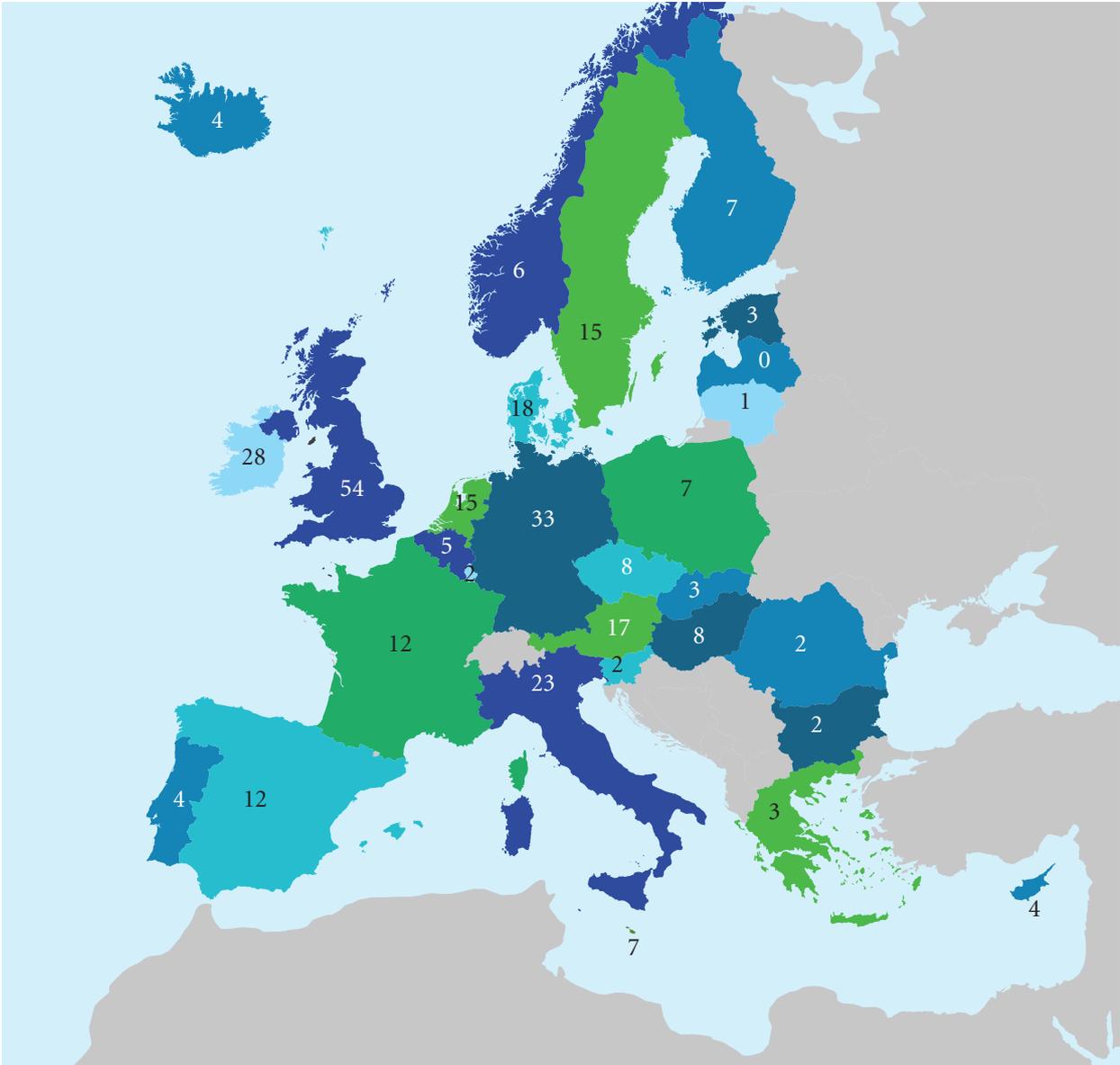
Any illegal restrictions on returns?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Had to give reason?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Additional remarks on the questions above?	
Returning the product	
Date of return?	Select date [17 January - 11 February]
Returning costs incurred?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please indicate amount	
Please select currency?	Select currency: <input type="checkbox"/> Euro EUR <input type="checkbox"/> Bulgarian Leva BGN <input type="checkbox"/> Czech Koruny CZK <input type="checkbox"/> Danish Krone DKK <input type="checkbox"/> British Pound GBP <input type="checkbox"/> Estonian Krooni EEK <input type="checkbox"/> Hungarian Forint HUF <input type="checkbox"/> Icelandic Kronur ISK <input type="checkbox"/> Latvian Lats LVL <input type="checkbox"/> Lithuanian Litas LTL <input type="checkbox"/> Norwegian Krone NOK <input type="checkbox"/> Polish Zlotych PLN <input type="checkbox"/> Romanian Lei RON <input type="checkbox"/> Swedish Kronor SEK
Additional remarks on the questions above?	
Refund	
Refund received?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
Full amount including delivery costs refunded?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No
If no, did trader give reason for not reimbursing (in full)?	Yes/no: <input type="checkbox"/> Yes <input type="checkbox"/> No

If trader did give reason for not reimbursing (in full) what was the reason?	
Amount reimbursed?	
Currency in which the trader reimbursed you?	<p>Select currency:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Euro EUR <input type="checkbox"/> Bulgarian Leva BGN <input type="checkbox"/> Czech Koruny CZK <input type="checkbox"/> Danish Krone DKK <input type="checkbox"/> British Pound GBP <input type="checkbox"/> Estonian Krooni EEK <input type="checkbox"/> Hungarian Forint HUF <input type="checkbox"/> Icelandic Kronur ISK <input type="checkbox"/> Latvian Lats LVL <input type="checkbox"/> Lithuanian Litas LTL <input type="checkbox"/> Norwegian Krone NOK <input type="checkbox"/> Polish Zlotych PLN <input type="checkbox"/> Romanian Lei RON <input type="checkbox"/> Swedish Kronor SEK
Date of refund received?	Select date [17 January - 11 March]
How was the money refunded?	<p>Select refund method:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Via credit card used for purchase <input type="checkbox"/> Via bank deposit <input type="checkbox"/> On a cheque <input type="checkbox"/> Received voucher instead of money
Did any fees apply?	<p>Yes/no:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No
Still awaiting refund?	<p>Yes/no:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No
Did you end up having any uncovered costs in connection with this purchase?	<p>Yes/no:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No
If uncovered costs, please state type of uncovered costs	
If uncovered costs, please state amount of uncovered costs	

<p>If uncovered costs, please state currency of uncovered costs</p>	<p>Select currency:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Euro EUR <input type="checkbox"/> Bulgarian Leva BGN <input type="checkbox"/> Czech Koruny CZK <input type="checkbox"/> Danish Krone DKK <input type="checkbox"/> British Pound GBP <input type="checkbox"/> Estonian Krooni EEK <input type="checkbox"/> Hungarian Forint HUF <input type="checkbox"/> Icelandic Kronur ISK <input type="checkbox"/> Latvian Lats LVL <input type="checkbox"/> Lithuanian Litas LTL <input type="checkbox"/> Norwegian Krone NOK <input type="checkbox"/> Polish Zlotych PLN <input type="checkbox"/> Romanian Lei RON <input type="checkbox"/> Swedish Kronor SEK
<p>Additional remarks on the questions above?</p>	
<p>D. CPC AND OTHER ISSUES</p>	
<p>Anything to report to the CPC?</p>	<p>Yes/no:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No
<p>If yes - what was the breach about?</p>	
<p>Any other remarks on the purchase process?</p>	

Appendix 2

– Number of purchases made in each country



Appendix 3

– Contact details for ECCs

AUSTRIA

EUROPEAN CONSUMER CENTRE
AUSTRIA

EUROPÄISCHES VERBRAUCHER-
ZENTRUM

Mariahilfer Straße 81
1060 Wien

Tel: + 43/1 588 77 0 (general line) and
Europe-Hotline 0810 - 810 225
(only available in Austria)

Fax: + 43/1 588 77 71
info@europakonsument.at
www.europakonsument.at

BELGIUM

EUROPEAN CONSUMER CENTRE
BELGIUM

EUROPEES CENTRUM VOOR DE
CONSUMENT CENTRE EUROPEEN
DES CONSOMMATEURS

Hollandstraat 13 / rue de Hollande 13
1060 Brussel/Bruxelles

Tel: +32/2 542 33 46 (NL)/ +32/2 542 33 89
(FR)

Fax: +32/2 542 32 43
info@eccbelgium.be
www.eccbelgium.be

BULGARIA

EUROPEAN CONSUMER CENTRE
BULGARIA

Bacho Kiro street No14
Bg-1000 Sofia

Tel: +359/ 298 676 72
Fax: +359/ 298 755 08

ecc.bulgaria@kzp.bg
http://ecc.kzp.bg/

CYPRUS

EUROPEAN CONSUMER CENTRE
CYPRUS

c/o Competition and Consumers
Protection Service

(CCPS), Ministry of Commerce,
Industry and Tourism

6, Andreas Araouzos
1421 Nicosia

Tel: +357/2286 7100
Fax: +357/22 375120
ecccyprus@mcit.gov.cy
www.ecccyprus.org

CZECH REPUBLIC

EUROPEAN CONSUMER CENTRE
CZECH REPUBLIC

EVROPSKÉ SPOTŘEBITELSKÉ
CENTRUM

Štěpánská 15
120 00 Prague

Tel: +420/296 366 155
esc@coi.cz

www.coi.cz
www.coi.cz/esc

DENMARK

EUROPEAN CONSUMER CENTRE
DENMARK

FORBRUGER EUROPA
Amagerfaelledvej 56

DK-2300 Copenhagen S
Tel: +45/32 66 90 00

Fax: +45/32 66 91 00
info@forbrugereuropa.dk
www.forbrugereuropa.dk

ESTONIA

EUROPEAN CONSUMER CENTRE

ESTONIA

EUROOPA LIIDU TARBIJA

NÕUSTAMISKESKUS

Rahukohtu 2

10130 Tallinn

Tel: +372/6201 708 and +372/6201 736

Fax: +372/6201 701

consumer@consumer.ee

www.consumer.ee

FINLAND

EUROPEAN CONSUMER CENTRE

FINLAND

EUROOPAN KULUTTAJAKESKUS

Haapaniemenkatu 4, BOX 5

00531 Helsinki

Tel: +358 10 19 46 76

Fax: +358/9 8764 398

ekk@kuluttajavirasto.fi

www.ecc.fi

FRANCE

EUROPEAN CONSUMER CENTRE

FRANCE

CENTRE EUROPEEN DES

CONSOMMATEURS FRANCE

c/o Centre Européen de la Consommation
(CEC)

Bahnhofplatz 3

D-77694 Kehl

Tel: +49/78 51 991 48 0 and 0820/200 999

(only accessible from France)

Fax: +49/78 51 991 48 11

info@euroinfo-kehl.eu

www.euroinfo-kehl.eu

GERMANY

EUROPEAN CONSUMER CENTRE

GERMANY

EUROPÄISCHES VERBRAUCHER-

ZENTRUM DEUTSCHLAND

c/o Zentrum für Europäischen

Verbraucherschutz (ZEV)

Bahnhofplatz 3

D-77694 Kehl

Tel: +49/7851 991 48 0

Fax: +49/7851 991 48 11

info@euroinfo-kehl.eu

www.euroinfo-kehl.eu

Adress 2: Kiel Office

Andreas-Gayk-Straße 15

D-24103 Kiel

Tel: +49/431 590 99 50

Fax: +49/431 590 99 77

evz@evz.de

www.evz.de

GREECE

EUROPEAN CONSUMER CENTRE

GREECE

ECC Greece is currently not operating.

HUNGARY

EUROPEAN CONSUMER CENTRE

HUNGARY

EURÓPAI FOGYASZTÓI KÖZPONT

József körút 6

1088 Budapest

Tel: +36/ 1 459 4832

Fax: +36/1 210 2538

info@magyarefk.hu

www.magyarefk.hu

ICELAND
EUROPEAN CONSUMER CENTRE
ICELAND
EVROPSKA NEYTENDAADSTOÐIN
ENA – ECC ICELAND
Hverfisgötu 105
101 Reykjavík
Tel: +354/ 545 1200
ena@ena.is
www.ena.is

IRELAND
EUROPEAN CONSUMER CENTRE
IRELAND
MACRO Centre
1 Green Street
Dublin 7
Tel: +353/1 879 76 20
Fax: +353/1 873 43 28
info@eccireland.ie
www.eccireland.ie

ITALY
EUROPEAN CONSUMER CENTRE ITALY
CENTRO EUROPEO CONSUMATORI
Via Francesco Gentile 135
00173 Roma
Tel: +39/06 442 38 090
Fax: +39/06 455 50 558
info@ecc-netitalia.it
www.ecc-netitalia.it

LATVIA
EUROPEAN CONSUMER CENTRE
LATVIA
EIROPAS PATĒRĒTĀJU INFORMĒŠANAS
CENTRS
Kr. Valdemara Street 157-228
1013 Riga
Tel: +371/738 8625
Fax: +371/738 8625
info@ecclatvia.lv
www.ecclatvia.lv

LITHUANIA
EUROPEAN CONSUMER CENTRE
LITHUANIA
EUROPOS VARTOTOJU CENTRAS
Odmini g. 12
LT 03224 Vilnius
Tel: +370/5/2650368
Fax: +370/5/2623123
info@ecc.lt
www.ecc.lt

LUXEMBOURG
EUROPEAN CONSUMER CENTRE
LUXEMBOURG
CENTRE EUROPEEN DES CONSOMMA-
TEURS-GIE LUXEMBOURG
55 rue des Bruyères
L-1274 Howald
Tel: +352 26 84 641
Fax: +352 26 84 57 61
info@cecluxembourg.lu
www.cecluxembourg.lu

MALTA**EUROPEAN CONSUMER CENTRE****MALTA**

47A, South Street

Valletta, Malta

Tel: +356 21 22 19 01

Fax: +356 21 22 19 02

ecc.malta@gov.mt

www.eccnetmalta.gov.mt

THE NETHERLANDS**EUROPEAN CONSUMER CENTRE****NETHERLANDS**

EUROPEES CONSUMENTEN CENTRUM

P.O. Box 487

3500 AL Utrecht, the Netherlands

Tel: +31/(0) 30 232 64 40

Fax: +31/(0)30 234 2727

info@eccnl.eu

www.eccnl.eu

NORWAY**EUROPEAN CONSUMER CENTRE****NORWAY**

FORBRUKER EUROPA

P.O. Box 4594 Nydalen

0404 Oslo

Tel: +47 23 400 500

Fax: +47 23 400 501

post@forbrukereuropa.no

www.forbrukereuropa.no

POLAND**EUROPEAN CONSUMER CENTRE****POLAND**

EUROPEJSKIE CENTRUM

KONSUMENCKIE

Plac Powsta ców Warszawy 1

00 950 Warsaw

Tel: +48/22 55 60 118

Fax: +48/22 55 60 359

info@konsument.gov.pl

www.konsument.gov.pl

PORTUGAL**EUROPEAN CONSUMER CENTRE****PORTUGAL**

CENTRO EUROPEU DO CONSUMIDOR

Praça Duque de Saldanha, 31-1º

1069-013 Lisbon

Tel: +351/21 356 47 50

Fax: +351/21 356 47 19

euroconsumo@dg.consumidor.pt

<http://cec.consumidor.pt>

ROMANIA**EUROPEAN CONSUMER CENTRE****ROMANIA**

CENTRUL EUROPEAN AL

CONSUMATORILOR ROMANIA

Bd. Nicolae Balcescu nr. 32-34, etaj 4,

cam. 16

Sector 1, Bucharest,

RO-010055

Tel: + 40/ 21 3157149

Fax: + 40/ 21 3157149 / + 40/ 21 3110242

office@eccromania.ro

www.eccromania.ro

SLOVAKIA
EUROPEAN CONSUMER CENTRE
SLOVAKIA
EURÓPSKE SPOTREBITEĽSKÉ
CENTRUM
Mierová 19
827 15 Bratislava
Tel: 00421/2 4854 2019
Fax: 00421/2 4854 1627
ecc@economy.gov.sk
www.economy.gov.sk/ecc

SLOVENIA
EUROPEAN CONSUMER CENTRE
SLOVENIA
EVROPSKI POTROŠNIŠKI CENTER
1000 Ljubljana
Frankopanska 5
Tel: +386 1 432 30 35
Fax: +386 1 433 33 71
epc@epc.si
www.epc.si

SPAIN
EUROPEAN CONSUMER CENTRE SPAIN
CENTRO EUROPEO DEL CONSUMIDOR
EN ESPAÑA
Principe de Vergara 54
28006 Madrid
Tel: +34/ 91 822 45 55
Fax: +34/ 91 822 45 62
cec@consumo-inc.es
http://cec.consumo-inc.es

SWEDEN
EUROPEAN CONSUMER CENTRE
SWEDEN
KONSUMENT EUROPA
Tage Erlandergatan 8A
Box 48
652 20 Karlstad
Tel: +46/54 - 19 41 50
Fax: +46/54 - 19 41 59
info@konsumenteuropa.se
www.konsumenteuropa.se

UNITED KINGDOM
EUROPEAN CONSUMER CENTRE UK
1 Sylvan Court, Sylvan Way,
Southfields Business Park
BASILDON Essex UK SS15 6TH
Tel: +44 (0)8456 04 05 03
Fax: +44 (0)8456 08 96 00
ecc@tsi.org.uk
www.ukecc.net



The ECC-Network is co-funded by the European Commission DG Health and Consumer Protection and by the Member States. This report has been coordinated and written by the following ECC offices on behalf of the European Consumer Centre's Network.

ECC Denmark

ECC Lithuania

ECC Norway

ECC Portugal

ECC Sweden