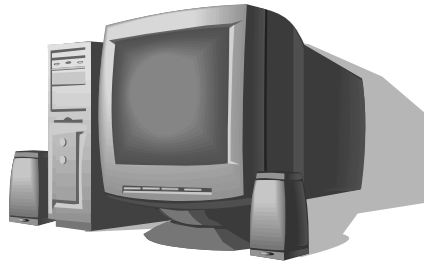


INTERNET AUCTIONS



The use of internet auction sites such as EBAY has grown massively in recent years. Internet auctions provide a convenient place for genuine buyers and sellers to meet and the vast majority of sales and purchases are completed without any problems. On the downside internet auctions also provide a new place for fraudsters to operate so it is vital that buyers and sellers know their rights and take steps to protect themselves.

HOW DO INTERNET AUCTIONS WORK ?

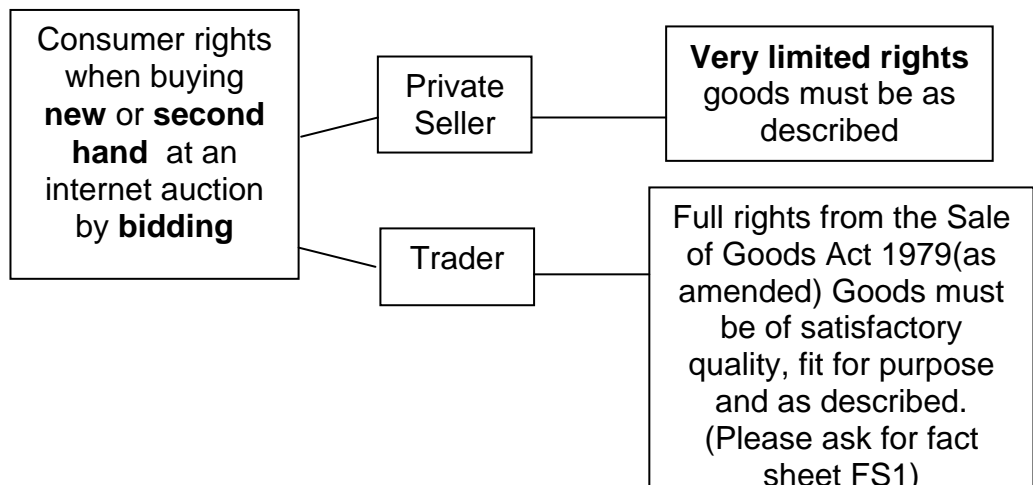
A few major retailers have internet auctions featured on their own company websites. They are using this as an alternative way of marketing their goods. The auctioneer and the seller of the goods are the same trader.

Major internet auction sites such as Ebay must be viewed differently. Ebay is **not** the auctioneer or the seller of the goods offered. Ebay is merely a marketplace allowing buyers and sellers to meet. Sellers are using the services offered by Ebay to sell their goods by auction or other methods offered by Ebay such as 'Buy It Now'

WHEN YOU BUY GOODS ON EBAY, YOU ARE BUYING FROM THE SELLER LISTING THE GOODS. YOUR CONTRACT IS WITH THE SELLER, NOT WITH EBAY.

BUYING GOODS FROM INTERNET AUCTIONS - YOUR RIGHTS

Both traders and private sellers can sell goods on an internet auction site. You have more rights if you buy goods from a trader than from a private seller. The following flow chart show what rights you may have when you buy goods using an internet auction site.



Internet auction sites such as Ebay process millions of transactions world-wide every day. Their successful operation relies largely on trust. In the vast majority of cases the sale is completed without difficulty, but things can go wrong. Both Buyers and Sellers must make themselves aware of the potential problems of using an internet auction site and take appropriate steps to protect themselves.



If you are a **buyer** the following precautions may help to avoid potential problems when using an internet auction site.

- 1. Learn how the auction site works** – Most auction sites contain information on how the site works. It will tell you what buyers and sellers are allowed to do and will give information about any complaints procedures that are available. The site will also give buyers information on how to protect themselves from fraud.
- 2. Feedback** – Internet auction sites allow previous sellers and customers to give information about completed transactions. Take a look at this feedback **before** buying or bidding.
- 3. Read the item description very carefully** – make sure that you know exactly what you are bidding for.
Do not be afraid to ask the seller about the item if you have any questions.
- 4. Decide how much you are prepared to pay – and stick to it.** When deciding how much to pay remember to take into account any postage charges or foreign currency exchange rates.



5. Payment - sellers will normally make it clear how they wish to be paid. Choose the payment method that is most traceable and is most likely to give you protection. **Do not use money transfer services such as Western Union – This service is not traceable and offers no protection whatsoever to the buyer.**

6. Do not respond to offers to sell goods that are made outside of the auction site. You will not have any of the protection offered by the auction site.

If you are a potential **seller** the following precautions may help you to avoid potential problems when using an internet auction site.

- 1. Learn how the auction site works** – Most auction sites contain information on how the site works. It will tell you what buyers and sellers are allowed to do and will give information about any complaints procedures that are available. The site will also give information to sellers on the best way to protect themselves from fraud.
- 2. Describe your items very carefully** – descriptions should be accurate. Make it clear how much the postage will be and clearly specify the payment methods that you can accept. Answer any questions from potential buyers

3. If you are business make sure you understand what your responsibilities are. Businesses will be obliged to comply fully with the consumer legislation such as the Sale of Goods Act 1979 (as amended) or the Distance Selling Regulations.
4. Do not send goods until you have received a cleared payment.
5. If possible send goods using an insured postage method or at least get a certificate of posting.

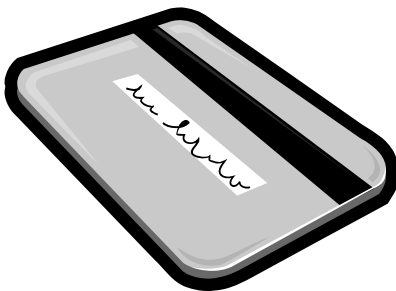


Paypal

Paypal is offered as a means of payment on Ebay and by an increasing number of internet businesses. Buyers with a Paypal account can make an instant payment to a seller using a credit or debit card via a Paypal account. Paypal can be a very convenient way to pay a seller, particularly if the transaction involves another currency, but it is not treated the same way in law as a straightforward credit card payment.

What to do if an internet auction deal goes wrong?

1. Contact the seller – try the direct approach to get any problems resolved.
2. Report the matter to the auction host – eg Ebay and take advantage of their complaints resolution process.
3. Your payment method may offer some extra protection when things go wrong. If you have used Paypal you may be able to take advantage of their buyer or seller protection policy



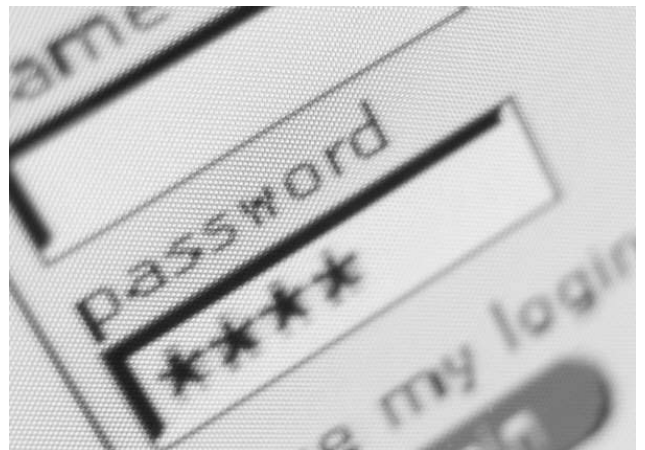
4. If you paid the seller with your credit card direct (Visa or Mastercard) and provided that the seller is a trader and the item had a value of £100 or more, you may be able to make a claim against your credit card company. This does not apply to credit card payments made via paypal.

5. If you made a payment using a charge card (Amex green or Diners), Debit Card (Delta, Solo, Electron) or a credit card (Visa, Mastercard) where the item value is less than £100, take a look at the card issuer's terms and conditions to see if they offer any protection.
6. If your payment card has been used fraudulently in a “Buy it now” style of transaction you may be able to make a claim against your card issuer if the seller is a trader. This applies to all types of payments cards including Debit Cards and to transactions of less than £100.
7. In addition to all of the above you may have rights under the Sale of Goods Act (as amended) or the Distance Selling Regulations. To see what rights you may have see the flowchart

PHISHING

This is the name given to the practice of attempting to gain usernames and passwords to your internet accounts. If you buy goods online always be wary of emails purporting to be from the trader asking for your login information.

If you receive such an email, do not click on any of the links. Forward it to the purported trader and your internet service provider. Many traders have specific email addresses set up for this eg Paypals, spoof@paypal.com or Barclays Banks, internetsecurity@barclays.co.uk .



Spam filters may be set to minimise phishing emails. For more information, contact your internet Service Provider.

Trading Standards Website: www.tradingstandards.gov.uk/kent

For further consumer advice please call Consumer Direct on the local rate number given below

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