

Good E Business Practices and Consumer Protection

Ron Cameron
Hong Kong Consumer
Council

**Information and Forensics Society
Seminar**

11 November 2000

Consumer Confidence

- Consumer confidence is necessary to realise the full potential of e-commerce
- Consumer laws not always a viable solution
- Jurisdiction problems
- Difference between rogue merchants , and genuine disputes
- Answer is through enabling consumers to recognise legitimate merchants they can trust

Trust Mark Attributes

- To be successful trust marks must:
- Address basic consumer concerns
 - on terms of payment and procedure,
 - terms of delivery,
 - guarantees, after sales service,
 - returns policy, cooling off periods,
 - statement on privacy; and
- Provide a redress mechanism where a dispute arises

Online redress mechanism

- Given that most transactions will be outside a consumers jurisdiction, a major consideration will be alternative dispute resolution (ADR) by way of an online redress mechanism,
- A range of possibilities
 - assisted negotiation
 - mediation
 - binding arbitration

Key Elements of online redress

- Independence - impartiality of the third party
- Transparency - all aspects clearly known
- Visibility - needs to be well publicised
- Affordable - preferably free
- Timely - resolve disputes quickly
- Competent ADR officers
- Security of information

Key ADR Elements continued....

- Enforceability - sanctions should be available
- Due Process - fair to both sides
- Legality - participation should not foreclose possibility of legal action by consumer or appropriate enforcement agency

Insurance Schemes/Fidelity Funds

- Provision for worst case scenario, if merchant fails to abide by ADR decision
- In terms of consumer confidence, this would be major selling point

Monitoring Trust Marks

- Participation in a trust scheme is an investment
- Businesses need to maintain the value of their investment by monitoring effectiveness
- Consumer movement has studied/monitored schemes and will continue in the future
- 'Mystery Shopping' & 'Sweep Days'
- Competition between trust marks

International Standards

- Globalisation points to need for international rules, for government, business & consumers
- International standards on trust marks will provide an important benchmark
- ISO initiatives
- Need for consumer participation in setting standards