

OFT outlines plans to protect online shoppers

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UK consumers still need to be educated about online shopping to prevent them falling victim to scams and problems, consumer protection regulator the Office of Fair Trading (OFT) has said.

The OFT has published plans to improve the protections available for consumers when they are shopping online. It does not recommend the creation of new laws or regulations, but has said that consumers must be better educated, that government guidance for companies must be improved, and that companies and enforcement agencies should work more closely together.

The OFT has published a document setting out its approach to e-consumer protection at the request of the government. It wants its strategy (pdf) to come into force by the end of 2010 and responses to the consultation are due before 13 October.

A government white paper in July 2009 identified the need for an online consumer protection strategy, the OFT said.

"The objective of the strategy, to be delivered by the end of 2010, is to enable the OFT, local authority Trading Standards Services and other agencies to work together more effectively and will consider the implications in terms of resources, training and staffing requirements," it said.

"The result of the strategy will be to improve effectiveness of online markets, thereby increasing the level of sustainable trust. It will also ensure that the UK is one of the global leaders in online enforcement."

The OFT said that its strategy will aim to provide consumers with the information they need to shop online safely.

"[The strategy will] empower consumers by educating consumers on their rights and the benefits of transacting online, making them more internet-savvy, and providing them with tools to fix problems they may encounter," said the OFT consultation.

The OFT's strategy will also focus on improving the regulation of retailers and improve the quality of enforcement.

"[It will] promote business compliance by improving the effectiveness of guidance ♦ facilitating industry led solutions to emerging problems, sharing intelligence, and building on existing work" said the OFT.

"[The strategy will] develop effective enforcement through increased coordination, building enforcement capacity, making better use of intelligence, and working in partnership with businesses and other enforcers, focusing on areas where enforcement has the most impact," it said.

"This strategy will help drive competition and growth by using more focused methods to protect consumers and build trust," said OFT strategy director Noah Curthoys.

"The OFT is seeking to facilitate industry-led solutions to emerging problems, respond effectively to rapid change, increase the capability and effectiveness of enforcement, and empower consumers."

The OFT's plans include measures to clarify to consumers exactly what protections they have when shopping online, as well as attempts to ensure that there is consistency between online and offline consumer protections.

The OFT has conducted reviews and investigations into various aspects of internet commerce in the past year. It reported earlier this year on its investigation into behavioural advertising, which it said should be clearly labelled.

The OFT is also conducting an investigation into some of the pricing methods ♦ such as drip pricing and time-limited offers - that are commonly used online. It published the research it commissioned which found that complicated pricing was more likely to confuse consumers, and will report fully later this year on its findings.

Source: http://www.channelregister.co.uk/2010/07/23/oft_ecommerce_strategy/