

Please cite this paper as:

OECD (2002-05-17), "Best Practice Examples under the OECD Guidelines on Consumer Protection in the Context of Electronic Commerce", *OECD Digital Economy Papers*, No. 61, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/233574467655>



OECD Digital Economy Papers No. 61

# Best Practice Examples under the OECD Guidelines on Consumer Protection in the Context of Electronic Commerce

OECD

**Unclassified**

**DSTI/CP(2002)2/FINAL**



Organisation de Coopération et de Développement Economiques  
Organisation for Economic Co-operation and Development

**17-May-2002**

**English - Or. English**

**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY  
COMMITTEE ON CONSUMER POLICY**

**DSTI/CP(2002)2/FINAL  
Unclassified**

**BEST PRACTICE EXAMPLES UNDER THE OECD GUIDELINES ON CONSUMER PROTECTION  
IN THE CONTEXT OF ELECTRONIC COMMERCE**

**JT00126337**

Document complet disponible sur OLIS dans son format d'origine  
Complete document available on OLIS in its original format

**English - Or. English**

## FOREWORD

The OECD *Guidelines for Consumer Protection in the Context of Electronic Commerce* (the *Guidelines*) provide basic principles for consumers as they determine what fair business practices to expect online, for the private sector as it develops self-regulatory schemes, and for governments as they formulate and implement consumer protections for electronic commerce. Approved and adopted on 9 December 1999 by the OECD, they represent almost two years of drafting and consultation by consumer protection officials from Member governments, business groups and consumer organisations.

Given the inherently international nature of the digital networks and computer technologies that comprise the electronic marketplace, the *Guidelines* grew from recognition that a global approach to consumer protection is necessary to ensure that consumers are afforded a level of safeguards in the emerging electronic marketplace that are not less than those received in more traditional realms.

Upon the first year anniversary of the *Guidelines*, the Committee on Consumer Policy convened a workshop “Consumers in the Online Marketplace: OECD Workshop on the Guidelines – One Year Later” (the Workshop). Through this Workshop, the Committee sought to bring together many of the same representatives involved in the initial writing process, in addition to other representatives – especially from non-member countries. Gathering in Berlin on 13-14 March 2001, the task was to examine progress on implementation of the *Guidelines* and to facilitate discussion on what the appropriate next steps would be in the area of e-commerce consumer protection.

At the Workshop, the Committee found that the *Guidelines* have had a positive impact on business policies and government action, encouraging better consumer protection in the online arena. The impact is expected to continue in the years ahead as implementation activities continue.

From the Workshop and the 60th meeting of the Committee, which followed the Workshop, it was decided that while it is unnecessary to revise the text of the *Guidelines* themselves at this time, some elaboration on the principles may be useful in order to provide additional practical guidance to governments, businesses and consumers. To this end, it was decided that such further explanation could come in the form of best practice examples or a similar document that provides an elaboration for a few discrete areas of the *Guidelines*.

**Copyright OECD, 2002**

**Applications for permission to reproduce or translate all or part of this material should be made to:**

**Head of Publications Service, OECD, 2 rue André-Pascal, 75775 Paris Cedex 16, France.**

**BEST PRACTICE EXAMPLES UNDER  
THE OECD GUIDELINES ON CONSUMER PROTECTION  
IN THE CONTEXT OF ELECTRONIC COMMERCE**

All of the examples that follow are hypothetical situations. Each example is meant to provide information on a discrete principle. Thus its success and failure as it relates to the *Guidelines* only refers to the specific principle at issue. The example is not meant to show a successful implementation of all principles in the *Guidelines* at the same time. The plus (+) and minus (-) that precede the examples indicate whether the business in the example *implements or fails to implement* the *Guidelines*.

<b>Information about the business</b>	
(+)	A commercial Web site has a link on its home page that is also accessible from every other page on its site. The link provides information on the company including its legal name, which is also the name under which it trades, its principal geographic address where it accepts legal service of process, a telephone number, and an e-mail address for questions related to sales and service. <b>This site implements principle IIIA of the Guidelines (information about the business)</b> because it provides the consumer with accurate, clear and easily accessible information about itself sufficient to allow identification of the business by both consumers and law enforcement.
(-)	An online computer company carries a seal from a well-known and respected seal programme. The seal programme requires seal holders to implement a variety of effective consumer policy principles. The online computer company posts the seal on its site and the seal can be viewed from anywhere on its site. If a consumer clicks on the seal however, it does not provide a link to the seal programme's site. Nowhere else on the computer company's site does it provide information on the seal programme. While the computer company's site may implement many of the principles of the <i>Guidelines</i> because it is a member of an effective seal programme, <b>it fails to implement principle IIIA of the Guidelines (information about the business)</b> because it neither provides consumers with appropriate contact details for the seal programme nor an easy method of verifying its membership in the programme.
<b>Information about the goods or services</b>	
(+)	An online appliance store provides a three-dimensional picture of all of its products. When a consumer clicks on the picture the product rotates so that all sides can be viewed. The picture also allows a consumer to narrow the view to be able to read product information on the item. Related warranty and safety information is provided via a link next to the picture as well as all information relating to the size, colour and energy requirements necessary to operate the product. <b>This site implements principle IIIB of the Guidelines (information about the goods or services)</b> because it provides the consumer with accurate and easily accessible information describing the goods offered.
(+)	An online clothing store provides static pictures of all of its products, but includes fabric specifications, colour, and full sizing charts. Because it provides the essential information about the goods in text form, <b>this site implements principle IIIB of the Guidelines (information about the goods or services)</b> even though it may not take full advantage of the latest technology in terms of visual presentation.
(-)	An online toy store sells an electronic doll that can wave its hand and say "hello" in 15 languages. The site provides a clear photo of the doll, specifies its actual size, and notes that it is hypoallergenic. The site also mentions that it runs on batteries, but does not post the specific type. In fact, the doll requires a battery that can only be purchased in Japan and costs approximately JPY 1 000. <b>This site fails to implement principle IIIB of the Guidelines (information about the goods or services)</b> because it does not provide the consumer with sufficient information to make an informed decision.

Information about the transaction	
<b>Currency</b>	
(+)	A Mexican-based Web site provides information on its goods and services in Spanish. The site explicitly specifies that its prices are in Mexican pesos. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because it clearly identifies the applicable currency. Moreover, it will not confuse or mislead a Spanish-speaking consumer who may hail from Spain rather than Mexico.
(-)	A US-based Web site provides information on its goods and services only in English. While the site accepts only USD, it does not explicitly specify any currency with its prices. <b>This site fails to implement principle IIIC of the Guidelines (information about the transaction)</b> because it does not clearly identify the currency of its goods and services. Moreover, it is possible that a consumer from the United Kingdom would visit the site and assume because the site is in English that the currency is British pounds.
<i>TIP:</i>	<i>While the Guidelines call for a business to provide only the applicable currency when offering cost information, technology now provides sites the opportunity to easily and efficiently link to currency converters. For Web sites marketing to foreign consumers, providing this kind of information via links or other technological means will help consumers to make an informed choice.</i>
<b>Costs</b>	
(+)	While a consumer is making a purchase from a Web site, the consumer has access to information via hyperlink, pop-up window, drop-down menu, etc. on the specific cost amounts associated with the various shipping options available, as well as general information on the applicable tax and/or duty rates. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because it provides the consumer with an itemisation of the specific costs collected and/or imposed by the business (e.g. shipping costs) and notice of the existence of costs not collected and/or imposed by the business (e.g. tax and/or duty rates).
(+)	When the consumer is making his final checkout and is given the opportunity to review the items he is purchasing, the Web site also offers information that the consumer may be responsible for paying duty on the items to be purchased. The site does not, however, specify how much the duty will be. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because the <i>Guidelines</i> call for sites only to itemise costs that are collected by the business.
(-)	Once a consumer has been given the opportunity to review the items in his shopping cart and provide payment information to the site, the site offers a statement that shipping will be additional. The site does not provide the specific cost information for such service. <b>This site fails to implement principle IIIC of the Guidelines (information about the transaction)</b> for two reasons; the <i>Guidelines</i> call on businesses both to itemise this information and provide it at a time that will enable the consumer to make an informed decision on whether to make the purchase.
<i>TIP:</i>	<i>The rationale for not requesting that businesses provide information to consumers on costs that are not collected and/or imposed by the business was that it would be too burdensome and next to impossible to provide the specific cost information for each transaction. Moreover, providing shipping/delivery cost information may be impracticable until after the consumer has completed the "ship to" information (e.g. a consumer's address and delivery option). Many sites, however, offer more than a simple notice of the existence of other routinely applicable costs; these sites provide links to national and state authorities that provide specific relevant information on these costs.</i>

**Information about the transaction (cont'd.)**

**Payment process**

- (+) An online food store provides a list of the types of payment cards it accepts. When a consumer places an order the site provides information on whether the item is in stock and informs the consumer that it will not charge the consumer until the item is shipped. The site also provides that there are no returns on perishable items but returns on non-perishable items will be credited back to the same card used for the purchase. **This site implements principle IIIC of the Guidelines (information about the transaction)** because it informs the consumer of the terms, conditions and methods of payment, (e.g. which cards it accepts, when the consumer will be charged and how refunds will be credited).
- (-) A Web site accepts several forms of payment cards, but charges an additional service fee to those consumers who use payment cards rather than e-money. At the conclusion of the transaction, the itemisation of the transaction includes the surcharge for using the payment card. **This site fails to implement principle IIIC of the Guidelines (information about the transaction)** because it does not provide the consumer with the information at a time when he or she can use it to make an informed decision about whether to enter into the transaction.

**Delivery terms**

- (+) An online gift shop offers a wide range of hand-made crafts from all over the world. Although it maintains many of its goods in its stock, some of the items must be special-ordered from other countries. Each item displayed on its Web site contains a link that specifies whether the item is currently in stock and, if not, an estimate about when the item will be available for shipping. Also noted is the fact that sometimes unanticipated delays will occur. For items which are in fact delayed beyond the estimated shipping date, the online shop e-mails the consumer updated shipping information, and requests confirmation that the consumer still wants to purchase the item. **This site implements principle IIIC of the Guidelines (information about the transaction)** because it provide appropriate information regarding the terms of delivery, including updated shipping dates and an opportunity to withdraw where delivery is delayed.
- (-) An online shop promises a consumer delivery of a gift item within one week. After the order is placed, the shop learns that the item will be out of stock for an unknown period. It does not inform the consumer about the delay. Three months later, the item again becomes available. The shop then offers the consumer the option of having the item will be delivered within two days or withdrawing from the transaction without cost. **This site fails to implement principle IIIC of the Guidelines (information about the transaction)**, even though it offered the consumer the opportunity to withdraw from the transaction, because it did not provide accurate information about the timing of the delivery (after it learned that it would not be able to meet its promised delivery date). Here, the need for accurate disclosures is supplemented by principle II of the Guidelines (fair business, advertising and marketing practices), which provides that businesses should comply with any representations they make regarding policies or practices relating to their transactions with consumers.

**Returns and warranties**

- (+) An online automobile site provides information on its return policy, which is available from any point during the transaction. The policy permits returns but states that the consumer will be responsible for the costs incurred when returning the automobile to the business. **The site implements principle IIIC of the Guidelines (information about the transaction)** because it provides sufficient information about its return policy to enable consumers to make an informed decision about whether to enter into the transaction.
- (-) An online bookstore states that "Our return and exchange policies comply with the law of Germany," but provides no details about these policies. **This site fails to implement principle IIIC of the Guidelines (information about the transaction)** because it does not provide information in a clear, accurate, and easily accessible manner.

<b>Effective communication of information</b>	
<b>Language</b>	
(+)	All information (e.g. price and currency, terms and conditions, etc.) on a Web site is provided only in Dutch. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because it only serves consumers who read Dutch.
(-)	A Web site permits visitors to select Spanish or French as the language in which to review information about the goods or services offered on the site, but provides the terms and conditions of the transaction and/or the related warranty information only in French. <b>This site fails to implement principle IIIC of the Guidelines (information about the transaction)</b> because it does not provide the consumer with sufficient information in each language to make an informed decision.
<b>Timing</b>	
(+)	A Web site provides a terms and conditions menu item, pop-up menu, or hyperlink on its site that allows a visitor to review the related information from any page on the site at any time. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because it provides the consumer with important information that can be accessed at any time prior to or during the transaction.
(-)	Upon the conclusion of the transaction, a Web site provides the consumer with an address of where he or she can write for the terms and conditions related to the transaction and/or the warranty information related to the products or services. <b>This site fails to implement principle IIIC of the Guidelines (information about the transaction)</b> because it fails to provide the consumer with sufficient information at the time of the transaction to make an informed decision about such a transaction.
<b>Record maintenance</b>	
(+)	A Web site provides a date-stamped, printable and/or downloadable version of its terms and conditions. <b>This site implements principle IIIC of the Guidelines (information about the transaction)</b> because it offers the consumer the ability to maintain an adequate record of such information.
(-)	A Web site provides its terms and conditions in a pop-up box, the contents of which cannot be printed or saved. <b>This site, while implementing the provision that calls for providing access to the information, fails to implement principle IIIC of the Guidelines (information about the transaction)</b> because it does not allow the consumer the opportunity to maintain an adequate record of such information.

<b>The confirmation process</b>	
(+)	A consumer is buying many items from an online department store. The site allows the consumer to click on an item to view the sizes and colours available and then offers an "add to shopping cart" option. At any time during the transaction the consumer is also able to view all items in his shopping cart by clicking on a similar option button. From this same view screen the consumer can modify his order simply by clicking on the modify button. When the consumer is finished shopping he can click on the "conclude order" button and the screen provides a list of all items in the shopping cart and the total cost of the items including shipping and taxes. At this same screen there is a "modify" items and "cancel" the order option too. <b>This site implements principle IV of the Guidelines (confirmation process)</b> because it gives the consumer an opportunity to identify the goods he wishes to purchase, to identify and to correct any errors and to express an informed and deliberate consent to the purchase.
(-)	A consumer is buying several books at a Web site and after adding six different books to the cart the only way for the consumer to see all the items in the shopping cart before concluding the transaction is to hit the "back" button. <b>This site fails to implement principle IV of the Guidelines (confirmation process)</b> because it fails to provide consumers with the opportunity to identify and correct or modify their order.
<b>TIP:</b>	<i>While the shopping cart ordering/confirmation process is used in these examples, there are many ways for consumers to place and confirm their orders. The most important item in this principle of the Guidelines is that consumers be offered all of the elements of the principle – the ability to identify what they have ordered, the ability to cancel or modify their order, the ability to see the total cost, the ability to expressly consent to the order, and the ability to retain an accurate record. The Guidelines do not dictate in which order these should be done, they merely require that they all be done before the conclusion of the transaction.</i>