

## NEED ADVICE OR ASSISTANCE?

Further information is available through the National Consumer Website at: [www.consumer.gov.au](http://www.consumer.gov.au) This Website will be updated regularly and will contain recent developments and the latest information. You can also contact your local Consumer Affairs/Fair Trading agency listed below.

# SHOPPING IN THE ELECTRONIC AGE

You are not the  
same consumer  
you were yesterday

- NSW Department of Fair Trading;
- Victorian Office of Fair Trading and Business Affairs;
- Office of Consumer Affairs Queensland;
- Ministry of Fair Trading Western Australia;
- South Australian Office of Consumer and Business Affairs;
- Office of Consumer Affairs Tasmania;
- ACT Consumer Affairs Bureau;
- The Office of Consumer Affairs and Fair Trading Northern Territory; and
- Consumer Affairs Division, of the Commonwealth Department of Industry, Science and Tourism.

### DISCLAIMER

This brochure is a guide to important changes in the way that you can now shop. Every attempt has been made to ensure that the information contained in this brochure is accurate as at October 1997. You should remember that the technology is continually evolving and information about its use and availability is constantly changing.



# ONCE

you had to go into a shop to  
buy goods and you had to  
pay with hard cash.

**NOW** you can shop at home, by  
phone, by catalogue, with cash, credit  
cards or cheques.

You can do your banking  
and pay bills over the **PHONE** or  
on the **INTERNET** and you can buy  
goods with **SMART CARDS**  
instead of cash.

This brochure explains some of the latest  
technologies for buying goods and services.

For further information you can check out our Website  
at [www.consumer.gov.au](http://www.consumer.gov.au)

These technologies offer you a whole new shopping experience.

They increase your choices and the range  
of products available. They let you shop around the  
world without leaving home.

But all the sensible rules of shopping still apply.

Know who you are dealing with. Compare prices and make sure  
you know what you are getting for your money.

**And don't forget your local retailer.**

**He or she may match prices on offer  
elsewhere and may provide better service if  
goods need repair or replacement.**



## DIRECT MARKETING

### SHOPPING IS CHANGING

We've all seen the TV ads for exercise equipment, saucepans, wonder-cleaners and the like. This is one form of direct marketing—a means of selling products and services directly to you. Sometimes, you'll receive a phone call direct from the retailer. Sometimes you'll respond to a television offer. And sometimes you'll order from a catalogue.

#### *What's different about direct marketing?*

Some products offered by direct marketers are not available in retail stores. They may come with very attractive deals and are usually delivered directly to your home.

The goods may be advertised as 'limited offers' to persuade you to order products quickly. Also, you don't get to check the products and price before you order them.

Normally you will need a credit card to place your order.

### **DOS AND DON'TS:**

- DO** establish the identity, location and contact details of the retailer.
- DO** find out if you will be billed before or after the delivery of the products.
- DO** find out what delivery costs will be charged.
- DO** find out if there is a guarantee or warranty on offer (other than those provided by law).
- DO** find out how you can return the product and who bears the cost (particularly if purchased interstate) if there is a problem or how it can be repaired.
- DO** negotiate with the retailer if something goes wrong.
- DON'T** be pressured into buying something you don't really want. Check to see whether a cooling-off period applies to the purchase.
- DON'T** forget to record the date, the time and any order confirmation of the purchase.
- DON'T** agree to any open-ended charges against your credit card—settle the exact amount.

### **DO I NEED TO KNOW ANYTHING ELSE?**

When you purchase a product, the retailer may retain your personal details for further promotions. Sometimes the retailer may distribute your details to other direct marketing businesses. If you don't want your personal details passed on, tell the salesperson at the time of purchase.

The Ministerial Council on Consumer Affairs has released a Model Distance Selling Code of Practice in Australia, and an Industry Code of Ethics is in place in New Zealand—ask if the retailer has adopted these Codes or has a similar code in place.



# SHOPPING ON THE INTERNET

## **BEEN TO FLORENCE LATELY?**

If you have a personal computer and an Internet connection, you can buy almost anything from anywhere in the world. Popular items include CD's, books, clothes, wine, food, flowers and computer software. Some retailers use your computer screen as their only shop window and may sell direct from a warehouse, while many established retailers also offer online buying facilities to complement their normal store trade.

### *How do I use my Internet shopping trolley?*

It's easy to find online shops using Internet search engines. You can limit your search to a country, a particular product, even a brand name.

### *I have found something I want to buy, what next?*

Use a search engine to find other shops and compare prices and conditions. Also make comparisons with your local retail stores, but remember to take into account any extra costs (delivery, insurance, customs duty, sales tax, foreign exchange rates) you may incur with Internet purchases.

Find out more about the retailer you wish to deal with by asking people who shop over the Internet and visit newsgroups to ask other Internet users about the product which you wish to purchase. Also check sites which record adverse reports about businesses, eg the National Fraud Information Centre (US) at [www.fraud.org](http://www.fraud.org)

### *How do I pay for my goods?*

Many Internet businesses allow you to use your credit card online to pay for products. Most Internet shops will also let you fax or post your credit card details to them, or post a cheque or money order. As with any payment method, try to ensure that the business you are dealing with is reputable. The advantage of using credit cards is that some credit card companies reserve the right to reverse transactions if there is a disputed charge.

Only use your credit card for payment online if the retailer uses a secure payment system. Otherwise it is advisable to get your card number to the business by telephone or mail.

Major financial institutions are developing the Secure Electronic Transaction (SET) system using encryption technology to ensure that your personal and financial details are protected. SET is a common global standard for securing payment by credit cards over networks such as the Internet.

## **DOS AND DON'TS:**

- DO** phone or e-mail retailers directly and ask about the goods and services they provide when dealing with them for the first time.
- DO** check their refunds and returns policy.
- DO** check the freight or delivery method and costs.
- DO** check issues like exchange rates of currency between countries, sales tax and import duties.
- DO** check the legality of importing goods from overseas.
- DO** monitor children's access, as some firms market directly to children.
- DO** be wary of offers that appear too good to be true.



- DON'T** deal with retailers who are evasive and won't give contact numbers or addresses.
- DON'T** forget to print out your order before you send it.
- DON'T** participate in pyramid selling schemes (sometimes under the guise of network marketing, chain letters, get rich quick schemes and home based employment opportunities)—they are illegal.
- DON'T** rely only on one source of information.
- DON'T** give your bank details to any business.

### **WHAT CAN I DO IF SOMETHING GOES WRONG?**

Try and negotiate with the retailer by letter or e-mail and remember to keep copies of your order/invoices. Fair trading laws apply to business transactions conducted in Australia and New Zealand (see the back of this brochure for contact details).

There is similar legislation in overseas countries. If the retailer you are dealing with is overseas and you can't resolve your complaint, then you may need to contact the relevant consumer affairs authority in the country where the business is located.

A good starting point is: [www.consumersinternational.org](http://www.consumersinternational.org) which contains links to several countries.

## **ELECTRONIC BANKING**

### **BANKING IS CHANGING**

Did you know that you can now do your banking at home, in the office or anywhere you have access to a phone or the Internet?

Banks, credit unions and other financial institutions are now beginning to offer a wide range of electronic banking services, including:

- ▶ loan applications
- ▶ interest rates
- ▶ credit card payments
- ▶ bill payments (telephone, gas, electricity, council rates)
- ▶ cash withdrawals
- ▶ account balances
- ▶ account transfers.

#### *What's different about electronic banking?*

Banking electronically means that you can bank at your convenience and you can have immediate access to information about your accounts.

Some financial institutions are offering major savings or even no-fee services if you bank electronically.

Budgeting may also be simpler. By using the Internet, you may be able to download information directly into your spreadsheet or financial planner.



## SMART CARDS

### A NEW WAY OF PAYING

Smart cards are designed to replace cash. No more digging for loose change to pay for newspapers, coffee, tickets or chewing gum.

#### *How do I go about it?*

Talk to your financial institution about the range of services it offers and the fees charged.

You will need a password or access code to be able to access your accounts via the telephone. However, some institutions require you to use special software which you will need to download onto your computer and register with the institution. You will also be given a password and, for greater security, you may need to use an on screen keyboard to enter your password.

#### **DOS AND DON'TS:**

- DO** remember your personal identification number (PIN), passwords or access codes.
- DO** change your password regularly and use passwords that are not easily identifiable.
- DO** keep a record of all transactions. You can print a record from the computer screen or you can take notes of your telephone call. Some institutions will give you a receipt number—write this down.
- DO** check what security measures are currently used by your financial institution and read any conditions of use.
- DON'T** disclose your PIN, password or access code to anyone.
- DON'T** forget to log off from the Internet when you have completed a transaction.

#### *What are smart cards?*

Smart cards look like your credit card or ATM card. But instead of a magnetic strip, a smart card contains a computer chip. A smart card can load, store and process information like a small computer.

There are many types of smart card. Some simply store a cash value which you can use to pay for goods and services until its value is exhausted. Others function as an 'electronic purse' which can be topped up by inserting the card into an automatic teller machine, or a reader located at point-of-sale terminals, or a portable reader connected to your home computer.

Often no online authorisation is required to use the card and, even where you need to type in a PIN, paying for your shopping should be as fast as using cash.

#### **DOS AND DON'TS:**

- DO** ask what terms and conditions apply, especially fees and charges and the card issuer's refund policy.
- DO** check how information which is stored on the card—such as your personal details and records of purchases—will be used by retailers and other institutions.
- DO** be aware that cash stored in a smart card may not earn you interest.
- DO** ask your card provider what happens if the card reaches its expiry date before all the stored value is used.
- DON'T** forget that losing a smart card is like losing cash—therefore take the same precautions.
- DON'T** forget that you may not be able to use your smart card with every retailer.