

The internet can be a great way to do business—if used wisely, it can present you with a nearly unlimited audience of potential customers.

However, it is important to note that consumer protection laws are just as applicable online as they are offline. The consumer protection provisions are contained in Australian Consumer Law.

Advertising on the internet

Some businesses have an online presence to complement their bricks and mortar businesses while others use the internet as their only shopfront. A website can include a lot of content. A website also offers many opportunities for innovative advertising. Online traders should ensure that all representations made on the site regarding description, quality, performance and price are accurate.

Trading online across borders

If I am trading online do I have to comply with laws in other jurisdictions as well? Because your website can be accessed by consumers anywhere in the world, it is important to be aware that laws in other jurisdictions may also apply to you.

Any business that is incorporated in Australia or carries on a business in Australia is subject to the ACL and the Competition and Consumer Act more broadly in respect of its activities. This applies whether you are dealing with Australian customers or suppliers, or trading with people in other countries.

Whether you will also be subject to competition and consumer protection laws in other countries will depend on the laws in those countries.

How do I ensure that my business complies with laws in other jurisdictions?

While it may be difficult to identify all the laws in other jurisdictions that could affect you, there are ways to minimize this risk. These include the following.

- Ensuring your website complies with accepted International standards of practice or guidelines where available. The Organisation for Economic Co-operation and Development (OECD) has published Guidelines for Consumer Protection in the Context of Electronic Commerce (1999) which tells you about the basic minimum standards for consumer protection that would be expected when dealing in most jurisdictions. These guidelines are similar to the Australian Best Practice Model (see link to the e-Commerce website of the Department of the Treasury in Related documents).
- Using disclaimers. If you want to limit the number of countries you will trade with, you need to disclose this very clearly on your website. However, you should be aware that different jurisdictions may have different views on the use of disclaimers. A disclaimer may not be effective to avoid the scope of jurisdiction if you engage in trade with persons in that jurisdiction. You can find further information about consumer protection laws related to e-Business in other jurisdictions at www.econsumer.gov.au

Consumer guarantees online

All Australian traders, whether online or not must comply with existing Australian trading laws. These include provisions dealing with consumer guarantees.

Tips for good business online

Online trading can benefit both businesses and consumers.

However, the online trading world can be a scary place for some consumers. The Best Practice Model, a best practice guide for business, has set out practices for businesses to encourage consumer confidence in eCommerce (see link to the eCommerce website of the Department of the Treasury in Consumer and business directory).

Using the principles in the Best Practice Model the following information is a general guide for businesses when developing an online presence.

- The trader's full contact details including a street address will give consumers more confidence. Some may even choose to make contact before making a purchase 'just to be sure'.
- If trust marks or seals are used they should be easy to verify and relevant.
- Secure online payments or the provision of an offline alternative are vital. Few consumers are prepared to trust their money to an unsecured site.
- Terms and conditions should be clearly written and displayed, easily accessible and comply with all local and federal laws.
- Warranty and refund policies are important to consumers.

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- Products/services should comply with all Australian standards such as product safety standards.
- Advertising and any representations made about the product/service should be accurate with no hidden fine print.

Consumers do not like surprises where their bank balance is concerned.

- If prices are displayed, accuracy is the key. For instance consumers should be made aware of which currency is being used.
- A reliable complaints handling procedure will also encourage consumer confidence in a business. No one wants things to go wrong but if a speedy, helpful service is in place the customer's experience will ultimately be a positive one.
- Special care should be taken when dealing with minors.

Businesses should be aware they are dealing with a minor and when appropriate get consent from the child's parent or guardian.

- Online businesses may need to make adjustments in the provision of goods/services to ensure that they are accessible to people with a disability.

Good online business practices will encourage consumer confidence and this will generate more sales.

Information from the Australian Competition & Consumer Commission. For further information see the ACCC free publications Consumer Guarantees and Small Business, competition and consumers, available free online.