

## E-retail - Is your website consumer rights compliant?

E-commerce has brought extensive changes for business in recent years. Retail sales figures released from IMRG, the leading industry body for global e-retailing, reported that UK consumers spent £13 billion in the first quarter of 2008 – an equivalent of £213 for every person in the UK. Shoppers spent over 50% more than the first quarter of 2007. Despite the market trend research has revealed that:

- most consumers are not aware of their additional legal rights when shopping on-line; and
- many websites are breaching the regulations put in place to protect consumers.

The OFT, acting in partnership with the Local Authority Trading Standards Services are now carrying out a 'web sweep' of some of the top UK retail websites. In March 2008 the OFT published its findings in relation to the December 2007 sweep which involved 90 local authorities carrying out inspections of the UK's top retail websites. The report identified a number of areas where websites are not complying with the legislation. The results revealed a failure to provide adequate contact details and lack of transparency in the provisions relating to cancellation and refund rights. It is now becoming essential that all e-retailers ensure that their website is consumer rights compliant.

In addition to the traditional consumer protection regulations which apply to all consumer sales - the right for goods supplied to be in a satisfactory condition, defect free and fit for the purpose they were intended for; e-retailers must comply with requirements set out in the E-Commerce Regulations and the Distance Selling Regulations.

The E-Commerce Regulations provide that all commercial websites should clearly display certain company information, including but not limited to: the Company name, postal office, registered office and email address. It is also a legal requirement to provide clear and unambiguous information regarding pricing; the website should cite the price of the goods, any applicable VAT, as well as delivery charges etc. The former information together with precise details relating to the contract between the consumer and company must be accessible to the consumer prior to entering into a contract for sale on-line. However, once a legal contract has been entered into additional information must be sent to the consumer within a reasonable period of time and the contract must be performed within 30 days (unless the contract states otherwise).

The Distance Selling Regulations also set out information that must be available to the consumer prior to and after a contract for sale is entered into on the internet. For example, full Terms & Conditions in relation to the sale of goods / provision of services must be clearly set out. The Terms & Conditions should include among other matters information relating to the product, and the arrangements for payment and delivery. The Regulations also provide a right for the consumer to cancel at any time during the 'cancellation period' by notifying the supplier in writing. Once the contract has been cancelled the regulations provide that it must be

Teacher Stern LLP 37-41 Bedford Row London WC1R 4JH

t +44 (0)20 7242 3191 dx 177 Chancery Lane w [www.teacherstern.com](http://www.teacherstern.com)

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treated as if it had never been entered into. The duration of the cancellation period varies depending on the point at which written confirmation and additional information is provided but is generally 7 days beginning with the day after the day on which goods are received, or, if a service is provided –seven working days beginning with the day after the day on which the contract for services is concluded.

The rights and obligations on e-retailers are extensive and obviously differ from industry to industry. With more and more consumers choosing to shop on line the need to protect consumer rights has and will inevitably lead to a 'policing' of the internet. It is essential that all e-retailers are complying with the law in this area.

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