

This is the eighth of a 12-part series aimed at educating consumers to be more financially responsible for themselves and their families. This series is produced by the Consumers Association of Singapore (CASE) and The Association of Banks in Singapore (ABS) as part of the MoneySENSE National Financial Education Programme. This series is supported by the following financial institutions: American Express Foundation, ABN AMRO, Citibank, DBS Bank, HSBC, Maybank, OCBC Bank, Standard Chartered Bank, and United Overseas Bank. Today, find out how you can shop prudently online.

E-commerce has emerged in the last decade by riding on the explosive growth of the Internet. In Singapore, we can now make purchases from websites and online catalogues selling many kinds of merchandise.

Why e-shop?

- You can shop from home as long as you have a computer with Internet access. No need to dress up, travel to the shop, search for a parking space or queue at the cashier.

- You can shop any time you feel like. Online stores are always open - unless their computers or servers are down.
- You can visit e-stores anywhere in cyberspace and compare prices with just a few mouse clicks.

Payment

There are a few ways you can pay for your online purchases. It depends on what payment facilities the e-retailer provides and whether you are able to use those facilities.

At present, credit and charge cards are most commonly used. You may also be able to use a debit card or pay through an account (*usually linked to your credit card*) with a payment facilitator such as Paypal.

Safe shopping: Dos & Don'ts

Use a secure browser
This will help you to protect your information that is

transmitted online. Secure browsers comply with industry standards such as Secure Sockets Layer (SSL) or Secure Hypertext Transfer Protocol (S-HTTP). They have indicators such as the lock icon on the browser's status bar and "https" instead of "http" in their website address. If you are unsure about security, consider calling the company directly, faxing your order or paying by cheque and money order (See "Pay by card").

Know your e-retailer

Before you give any personal information, check the following:

Privacy policy:

This will help you to determine how your information will be used or shared with others. You may be able to find such disclosure statements at these locations:

- bottom of the homepage
- in the "About us" section
- in the FAQs

If you do not like what you read about the policies, shop elsewhere. And if you cannot find such a policy statement, ask for it and suggest to the company that they post such information at their website.

Refund policy:

Understand the conditions for refund and return before you buy. If you are not sure, contact the seller to clarify.

Shipping policy:

Know how your purchase will be delivered to you and

how much the delivery will cost. Delivery charges are sometimes substantial and could cost more than the items you are buying.

Give personal information sparingly

Disclose your personal information only when and where it is appropriate, such as on an order form. Be cautious if you are asked information such as your NRIC. It may not be necessary. If you are using your credit card, you should not have to give your bank information such as account number as well. Know who is collecting the information, why they are collecting it and how they will use it.

Keep password private

Never give your password to anyone or write it down where it can be seen easily. Combining numbers and letters in your password will make it more difficult for someone else to steal it.

Be accurate

Be very careful when typing information for your order. You do not want to end up with 10 CDs when you want one. Also check that all charges are calculated accurately. Remember to convert your purchases to the Singapore dollar if you buy from a website charging foreign currency. Different parties may offer different exchange rates, which are likely to change from day to day, but generally, these

differences are slight. If you are uncomfortable with the charges, do not proceed with the transaction.

Pay by card

If you pay by charge or credit card, you can keep tabs of your expenses through your monthly statement. When you dispute questionable charges, your card issuer will investigate and may withhold payment during investigation. You are unlikely to get this sort of protection if you pay with a money order, for instance. However, you should read your contract to find out the conditions and extent of your liability in cases of loss and unauthorized use.

Keep a record

When you complete an order,

many websites will remind you to print your online order form. Keep a printed copy for record and also to check against your bill if you are paying by credit or charge card.

Be wary of strangers

Do not download files sent to you by strangers or click on hyperlinks in email from dubious origins. Opening a file may allow malicious programmes to wreck your system and use your computer to export these programmes to other computers.

Teach your children

Explain to your children why it is dangerous to give out personal or family information online. Remind them to check with you before giving out any information.

"Personally, to make online shopping a safer way of buying things, I have always dedicated one credit card for that purpose to better manage my online shopping expenses and to minimize the risk should hacking take place."

— Mr Chiou Chong Wei, *business IT consultant*, offers some advice.

Contest #8

(Please read the article and answer the following questions)

1. Why do you do e-shopping?

- No need to dress up
- No need to travel to the shop
- No need to queue at the cashier
- All the above

2. Which type of payment is not recommended for online purchases?

- Cash
- Credit card
- Debit card
- Paypal

3. When shopping online, you should not _____

- Use a secure browser
- Find out the e-retailer's policies
- Give personal information indiscriminately
- Keep a record of your purchase

4. What should you do if you cannot find the seller's privacy policy and other disclosure statements?

- No need to do anything because it is not important
- Request for the information before you buy anything
- Buy first, ask later
- Send an angry email to the seller, accusing him of hiding information

5. What is the disadvantage of paying with credit cards?

- You can keep tabs of your expenses through your monthly statement
- When you dispute questionable charges, your card issuer will investigate
- You enjoy limited liability in cases of loss and unauthorised use, subject to previously agreed terms
- Someone else might steal your credit card information

Terms and Conditions

- Every entry must be on the official entry form. No photocopies please.
- Judges' decision is final.
- Winners will be drawn from correct entries.

- Winners will be notified by post.
- Prizes are not transferable or exchangeable.
- There will be three winners each contest. Each winner will receive a \$50 cheque and 12 issues of The Consumer.

Official Entry Form (Contest #8)

For each question, please circle the correct answer:

- a b c d
- a b c d
- a b c d
- a b c d
- a b c d

Name: _____

NRIC: _____ Age: _____ Sex: _____

Occupation: _____

Tel: _____ Handphone: _____

Address: _____

Send your entry to:
'Dollars & Sense'
Contest #8

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170 Ghim Moh Road
Singapore 279621

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Email: sayit@case.org.sg

- Employees of the CASE, ABS, the supporting organizations and Streets, and their immediate families are not allowed to take part in this contest.
- One entry per person.

Closing date:

**Entries must reach us
by 22 December 2003**