



Consumer Federation of America

PRESS RELEASE
FOR IMMEDIATE RELEASE
December 9, 2010

CONTACT:
Jack Gillis, CFA, 202-737-0766

CFA RELEASES NEW TIPS FOR BUYING ONLINE

How to Avoid Swindlers and Purchase Securely as Millions of Consumers Buy Online

New Buyer Beware Video to Warn Consumers

Washington, DC. – With consumers spending over \$1 billion on Cyber Monday alone, The Consumer Federation of America is releasing some critical warnings regarding online shopping. More and more Americans are using the internet for holiday shopping because it is convenient, there is a wide variety of products and services to choose from, and it is easy to compare prices. This has not gone unnoticed by scam artists and less than honest retailers who take advantage of the relative newness of online shopping and trick money out of unwary buyers. To protect consumers during the busy buying season, CFA has prepared the following tips and releases a new “Buyer Beware” video at www.consumerfed.org/fraud warning consumers of online scammers. The video (produced with support from Western Union) specifically focuses on the danger of paying for purchases using money transfer services. “Consumers need to know that you should never use money transfer to send money to someone you have not met personally, because it’s just like putting cash in an envelope and sending it to a stranger,” said Susan Grant, CFA Director of Consumer Protection. “Our new tips include advice for consumers about the safest way to pay for their online purchases in case something goes wrong.”

CFA’s online buying tips:

1. Check out unfamiliar sellers – Shopper complaints can keep you away from the bad guys.

While you’ll find many familiar companies online, including ones that you do business with in person, on the Internet you can make purchases from companies and individuals from all over the world. If you’re not familiar with the seller, it’s a good idea to look for information about complaints at the Better Business Bureau, www.bbb.org, and check the seller ratings on auction or price comparison sites. There are also many online sites where consumers share information about problems with companies and give feedback that can help you decide whether you want to do business with them.

2. Pay the safest way – Credit cards offer extra protections.

Even if the seller has no history of serious complaints, that does not guarantee that your purchase will be trouble-free. If you pay with a credit card, you have the right to dispute the charges if the goods or services aren’t delivered or were falsely

described. It's safe to provide your credit card number online because you also have the right to dispute the charges if someone fraudulently uses it. While you can also dispute unauthorized debits, but you don't have the right to dispute debits if the goods or services were misrepresented or never arrived. Note: Some debit card issuers will voluntarily credit the money back in that case, so be sure to ask if you become a victim. Some payment services such as PayPal offer "buyer protection" in case something goes wrong. Read how to qualify for these protections before using the services.

3. Know A Secure Browser – Look for shttp/https where the “S” is for secure.

Some websites use a security feature that turns your account number into code so no one else can read it. If shttp or https appears at the beginning of the website URL (at the top of your computer screen), you know the site is protecting your account number. There may also be a symbol on your screen such as a padlock that closes. Never provide financial account numbers by email, since it's not secure.

4. Never pay using a money transfer service – You could be transferring cash to a crook.

Crooks ask consumers to send them payment using a money transfer service such as Western Union or MoneyGram because they can get the cash fast and it's hard to trace. Legitimate sellers don't ask consumers to send payment that way. Money transfer services should only be used to send money to people you have met in person and known well, not to strangers.

5. Keep records of your purchases – Always save or print order documents.

Be sure to save your order information and other documentation in a special folder in case there are questions or problems later. To protect yourself from losing the information to a computer snafu, print it.

6. Watch out for “phishing” and “smishing” – Legitimate companies will never request confirmation of account information by email or texting.

Identity thieves posing as well-known companies often send emails and text messages (called “phishing” if it is an email or “smishing” if it comes as a text message on your phone) asking consumers to confirm personal information such as their account numbers. No one who already has your account information would need to contact you to confirm it. Never click on the link or call the number that may be provided. Instead, immediately delete these messages, since they may also contain viruses that can infect your computer or mobile phone.

7. Check out CFA's “Buyer Beware” video at www.consumerfed.org/fraud.

To request a copy of the video (produced with support from Western Union) please call 202-737-0766. The consumer tips sheet is also available at www.consumerfed.org/pdfs/CFA-Online-Buying-Tips-12-9-10.pdf.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.