

How to pay for things online

Whether you're booking tickets, buying clothes or purchasing items from an auction site, you can pay for many things online these days.

But you need to take care when you are making online transactions...

Reputable and secure sites

Before you type your card details into a website, ensure that the site is secure. Look out for a small padlock symbol in the address bar (or elsewhere in your browser window) and a web address beginning with **https://** (the **s** stands for 'secure').

You also need to check that the website is trustworthy. Here are a few suggestions for ways in which you can reduce the risk of using an untrustworthy site:

- Be suspicious of offers that seem too good to be true. This could indicate that a site might be selling illegal or pirated items.
- If you're not familiar with the website, you could ask trusted friends, colleagues or family members for their opinion. They might be able to offer you recommendations for alternatives.
- You could also do an internet search to see if the site you are investigating is mentioned favourably on sites you already trust.

Pre-payment tips

You will usually be asked for a password before you make an online payment. This is to help keep your personal details private. Make sure you use a strong password - one that is a combination of letters (upper and lower case), numbers and symbols.

Avoid making online purchases when you are in a public place. When you're using a wireless internet service (also known as 'Wi-Fi') in public, you cannot guarantee that the network is secure. This applies even if you have been given a password to use.

Making a payment

Once you've found the item you wish to buy, these are the kind of steps you'll take in order to purchase it.

You'll generally need to click (or tap if you are using a touchscreen device) on 'Add to Basket' - this will save the item until you're ready to pay for it.

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Follow the instructions and fill in your personal details – such as your name, address and email address. Any blank box with an asterisk next to it must be filled in. When you have done this, a summary page will usually appear. This lists the billing details for the item you are buying. Check that all the information is correct.

At some point before you part with your money, you'll usually be asked to tick a box to say that you agree to the website's terms and conditions. Make sure you have read these carefully before ticking the box.

Finally, you'll be asked to provide your credit or debit card details. Again, you will need to fill in any box that is marked with an asterisk.

You may be charged a small fee for using your payment card to make an online purchase. However, you may find that a fee only applies if you use your credit card (rather than your debit card). Note that a ban on excessive payment card charges was introduced in April 2013. It will become law in mid-2014.

Once you are happy to go ahead and make the payment, you click (or tap) on 'Submit' or 'Proceed'.

After you have done this, you may be asked for another password – this is an added layer of security for online credit and debit card transactions. Examples of this type of security measure include Visa's 'Verified by Visa' and MasterCard's 'SecureCode'.

Some sites offer to act on your behalf as an intermediary or 'middleman' when you buy something online – for example, if you're using an auction site where there are many vendors selling goods.

PayPal is a well-known example of this type of service. You pass payment to them, and they pass payment on to the seller of the item. The seller won't be able to see your bank details.

Cards and consumer rights

If you buy something online that's worth more than £100, then it's best to use a credit card rather than a debit card. This is because if you spend more than £100 on your credit card, you have legal rights under Section 75 of the Consumer Credit Act.

You get similar protection - from something called 'chargeback' - for purchases of under £100. This applies whether you paid by debit or credit card.

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In certain circumstances, chargeback allows you to ask your card provider to reverse a transaction if there's a problem with an item you've bought. It's not a legal obligation, but it is part of a set of rules which various banks subscribe to. Your card provider will be able to provide you with more information on its own process for chargeback claims.

It's important to know that if you buy online you may have the right to a refund if you are not happy with any items purchased.

Under 'distance selling regulations', you may be entitled to a full refund for certain goods if you decide - within seven days of receiving your items - that you want to return them. And, in some cases, you may be entitled to a refund from the seller if your items don't arrive within a reasonable time period (usually 30 days).

Be cautious

Using a payment card online can put you at risk of card fraud – which is when criminals are able to get hold of your details and use your card to make transactions. But you can reduce the risk by knowing what to look out for and by being cautious.

When you make a card transaction, you should never be asked for your PIN or online banking password. Your PIN should only be used at cash machines and physical, point-of-sale terminals, such as a supermarket check-out.

However, when you are making a payment online, you will be asked for the 3 or 4 digit security number ('CVV2 code'), which is usually found on the back of your card.

Unless express permission has been given, sites are not allowed to store your card details after the transaction has been completed.

So, if you visit a site again and it lets you make new purchases without entering your card details, you should contact the site and ask for your card details to be deleted. It's much safer to re-enter your card details for each purchase.

There are a few extra things that you need to be aware of if you're buying items online from a company that is based outside the UK.

Different rules apply depending on whether the company you're buying from is based within the EU or not. See the HM Revenues & Customs link in the Related Links section at the end of this guide for details of the taxes and duties that can apply.

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BBC Links

BBC WebWise: How to fill out online forms

<http://www.bbc.co.uk/webwise/0/22717885>

BBC WebWise: How do I shop safely online using a credit card?

<http://www.bbc.co.uk/webwise/guides/safe-shopping-with-cards>

BBC News: No more 'excessive' card surcharges

<http://www.bbc.co.uk/news/business-22042309>

BBC News: Q&A on credit and debit card surcharges

<http://www.bbc.co.uk/news/business-12430635>

BBC Consumer: What to look out for in the small print

<http://www.bbc.co.uk/consumer/22338473>

BBC Webwise: Basic online skills – list of guides

<http://www.bbc.co.uk/webwise/0/20595791>

Related Links

Digital Unite: Internet shopping – how to buy online

<http://digitalunite.com/guides/shopping-banking/online-shopping/internet-shopping-how-buy-online>

Which? Guide: Your shopping consumer rights

<http://www.which.co.uk/consumer-rights/problem/shopping/>

Citizens Advice Bureau: Are you covered by distance selling regulations?

http://www.adviceguide.org.uk/england/consumer_e/consumer_different_ways_of_buying_e/consumer_buying_by_internet_mail_order_or_phone_e/what_do_the_distance_selling_regulations_cover.htm

Learn My Way: Shopping online course (select the 'Online payment methods' module)

<http://www.learnmyway.com/learn-more/shopping-online>

Digital Unite: How to use PayPal

<http://digitalunite.com/guides/shopping-banking/online-banking/how-use-paypal>

Get Safe Online: Take care when making online payments

<https://www.getsafeonline.org/shopping-banking/online-payments/>

HM Revenues & Customs: Buying from abroad on the internet

<http://www.hmrc.gov.uk/customs/post/internet.htm>