

## Practicing Safe E-Commerce

Whilst there is some risk in conducting business online, there are some dos and don'ts that will minimize or eliminate the risk. Here are some basics, followed by some in-depth looks at the more common online venues and methods:

### Do...

- Use a credit card to pay wherever possible.
- Make sure the shopping site's address begins with https://, and uses SSL encryption...this may not show until you get to the checkout screen, but that is where it matters.
- Check the sites' and sellers' return policies/terms and conditions before committing to a purchase.
- Know the shipping and handling costs in advance.

### Don't...

- Pay with a debit or ATM card that draws from your bank account.
- Give your social security number or credit card info to any company through email. Call on the phone or visit in person where possible.
- Click links in emails that appear to come from a site like eBay, Paypal, or your bank.
- Use your mother's maiden name, pet's name or anything people can easily guess as your password to Paypal, online banking, or any online service connected to your bank account.
- Use public computers to conduct business or walk away from a computer that is signed into your account if others are around...make sure you click the logoff link first.
- Make payment until you know the site uses SSL (secure sockets layering) encryption.

**With regard to the above points in the “Do” section, let's break it down a bit.**

The reason for using a credit card over other forms of payment is because the credit card company usually backs your transaction, and the account is insured against theft. In other words, if the goods are no good, and you have to return them but the seller will not communicate or issue a refund, you can initiate a dispute through your credit card carrier and usually recover all your money. The credit card bank may require proof such as emails to the seller and a delivery confirmation receipt showing that you returned the goods. If you have to use a Paypal account to pay, be sure to attach a credit card to the Paypal account and click the link for “more funding options” during the payment process. This is how you can make sure Paypal charges your credit card instead of withdrawing it from your bank account. By default, Paypal will withdraw from your bank account unless

you change it during the payment process because it saves them the percentage that the issuing bank charges for the transaction. In the event of a dispute where you paid through your bank account, Paypal will be on the side of the seller and force the buyer to jump through unreasonable hoops to recover their money. Your credit card company is usually on your side during disputes and the burden of proof will be on the seller instead of the buyer. Furthermore, if your credit card number is stolen, you will not be responsible for unauthorized charges. Be sure to read your credit card agreement for details on how they handle disputes, stolen cards or numbers, and unauthorized charges.

**With regard to the above points in the “Don’t” section, let’s focus more here:**

The reason for not using a debit or ATM card to shop online is because it is usually not insured against fraud and theft and there may be little or no recourse. This holds true offline as well. I carry several credit cards at all times, but will not accept the free ATM or debit card from my bank. I suppose I am one of the last holdouts, but I have seen what can happen.

Due to the popularity of Paypal , scam artists are taking advantage by mimicking their emails and website asking the user to click a link that brings them to a fake sign-in page. It is here that they will capture your login and password so they can hijack your account. Always verify the web address that the links sends you to, or type the correct URL. This is also a very common scam using major banks. Have you ever gotten an email luring you to an account at a bank that you do not do business with? The hacker is taking a shot hoping that you actually bank there and will be naïve enough to click that link and fill in your login and password.

Many sites now offer ways to apply for credit online such as car dealers and mortgage brokers. The application usually requires your social security number to be entered. Don’t do it, because you have no way of knowing who will receive it. Instead, call them by phone or visit in person. Also, do not fax an application unless you are sure that the recipient has a private and secured fax machine where nobody else can pick it up. Do not email your private information either. Standard email is not secure.

Follow these tips and practice safe e-commerce, just as you would off-line. Happy shopping!