

Spending online

This fact sheet features strategies for safe online shopping. It can be used:

- as a discussion starter with friends or family.
- for self-reflection to check how much you already know and where to find more information.

Staying safe is so much more than recognising 'stranger danger' on the street. It's about guarding against online predators, protecting ourselves, our families, our privacy and our possessions in a world community. It's about taking control of online spending activity.



1. Did you know?

Recent trends in Australian consumer spending show continuing growth in online transactions. Despite technology being part of our everyday experiences, people are buying on impulse, and are still being scammed when they shop online. Online spenders should know:

- how to recognise and use reputable/safe sites.
- how to decide if the information describing the product is accurate.
- how to calculate the final cost including delivery or any hidden costs.
- how to spend according to a budget and avoid impulse buying.

(Please note, this list is not exhaustive).

2. Where can you shop online?

VIRTUAL (ONLINE) STORES

A virtual store is not a 'bricks and mortar' store – there's no building and you are unable to see the actual products and test their suitability. Many stores that do have a building, such as Myer, also have a virtual online store.

Staying smart and safe when online shopping means not only making sure you actually receive the goods, but also being sure that the goods are suitable and that there are no hidden charges. Most importantly you need to ensure that your identity and your bank accounts are safe!

ONLINE AUCTIONS

Auctions can be very exciting with a number of people bidding for something they want to buy. Unlike a physical auction where you attend and can see the items as well as the people who are bidding, an online auction will have unseen and unknown participants and sometimes incorrect descriptions of the auction activity. It's a good idea to double check you are dealing with a reputable auction site and never be talked into deals which might be outside of the site.



3. Online spending strategies

It can be helpful to check the reviews and how other buyers are rating the site. This highlights both positive and negative online shopping experiences. Checking reviews might also alert you to a scam site.

- Don't just automatically tick the box 'Agree to terms'. Read the terms carefully and go elsewhere if you are concerned about any term of sale.
- Know how to calculate the final price. Check the delivery cost and practice converting a different currency into Australian dollars by checking the latest currency conversion rates.
- Always look for the locked padlock symbol, which is a reminder that the site is secure, before providing your details and making payments.
- Check your credit card statement regularly for any purchases you did not make. Don't panic! You may be able to recover the money in some situations.
- Avoid impulse buying. It is too easy to click to buy when you have a credit card. When shopping online, it is even more important to follow a budget and know the difference between items which are essential and discretionary (those you would like to have, but do not actually need).

4. Avoid getting scammed

- Type the URL into the browser.
- Check that you are actually on the official site. Scam sites often include a well-known brand name within the URL so that it appears to be legitimate. Sometimes they also have incorrect spelling.
- At a glance, a fake site might look like the official site but there will be subtle differences in quality and colours of logos, designs and text.
- Genuine online auction sites (eBay, eBid) have strict rules to protect the consumer, but you are left with no protection against fraud. Some scamming sites pretend to be linked to the genuine online auction site.

5. Power words for online spending

Understanding and being able to use these words will provide you with more power to spend safely online.

REPUTABLE	Describes an organisation that has a good reputation in the community.
PREDATORS	People who prey on other people with the aim of scamming, defrauding or hurting them.
PRIVACY	A right individuals have to protect certain information from being known by others.
GENUINE	The 'real deal', not fake.
REVIEWS	Comments describing positive and negative experiences when dealing with an organisation.
PADLOCK SYMBOL	The small closed lock found at the bottom of a webpage indicating that all information (most notably banking details) is secured.
OFFICIAL URL SITE	The real and trusted website address or Uniform Resource Locator.

6. Need more help? Want to know more?

- Check out the Suncorp Bank website and read about [online fraud in banking](#).
- Keep up to date with current [scam warnings](#) from the ACCC.
- Find more information on [safe online shopping](#) from ASIC's MoneySmart website.



Disclaimer: The information on this fact sheet is general educational information. It is not financial advice. Financial Basics Foundation is not a financial advisor. The information is designed to improve your financial literacy by increasing your awareness and understanding of the topics described.