

News Release

Scottish consumers being scared off Internet shopping

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The first detailed study of Internet shopping among Scottish consumers has found that fears about being ripped off are stopping all but the very few from buying on-line.

A survey carried out on behalf of the Scottish Consumer Council found that only 2% of people with Internet access are regular e-shoppers. The main worry is a perceived lack of security about passing on credit card details over the Internet. Most people had no idea if consumer protection laws provided any safeguards when buying on-line.

Another major drawback highlighted in the survey is the fact that goods cannot be inspected or touched and have to be paid for upfront without being seen.

The report backs the idea of a independent organisation being set up to oversee on-line transactions and to provide consumers with protection and access to redress if anything should go wrong. It also recommends that the Government should lead an awareness raising campaign to help inform consumers of their rights and the risks involved of shopping over the Internet.

Graeme Millar, chairman of the SCC said: "We are often told that Internet shopping is the future but it clearly still has a long way to go to win the trust of the public. More and more goods are being provided for sale over the Internet but our survey reveals that very few people are comfortable shopping in this way.

"E-commerce can help to cut costs for consumers and can be more convenient but there are major obstacles to overcome. We are also concerned at the impact of the so-called digital divide. Our survey found that higher income groups are over four times more likely to have access to the Internet compared with those on lower incomes. There is clearly much to be done to achieve the Government's aim of every

community and individual in Scotland having access to high quality digital technology no matter where they live or what their circumstances.”

The survey was carried out on behalf of the SCC by MORI. It involved face to face interviews with 520 adults selected at random from across Scotland as part of a wider British survey.

The main findings are as follows:

Internet access: Scotland has the lowest level of Internet access in Britain. Only 23% of the population have access, compared with 30% for England as a whole and 34% in London. Only 2% of Scots are regular e-shoppers compared with 3% in England and 5% in London. In Scotland 7% of consumers say they shop occasionally on-line compared with 9% in Britain as a whole. 37% of Scots in the highest income groups have Internet access compared with just 8% in lowest groups - 14% of higher income groups occasionally shop on-line compared with just 2% of those in lowest income groups. More men shop occasionally on-line than women in Scotland - 9% of men compared with 5% of women which may reflect a greater use of the Internet among males generally.

Security: Most Scots consumers think the Internet is the riskiest way to shop. Just over half (52%) are concerned about giving over credit card details, 14% are worried about fraudulent suppliers and 9% say there is risk in not being able to check goods before buying. Familiarity with the Internet does not reduce risk as regular users were more likely to highlight security issues.

Improving trust: Using a company with a High Street presence or with whom consumers had previous dealings were rated as important qualities in generating trust. Using a site which had clear instructions on what to do if something went wrong was also seen as important. 11% of Scots said they would never buy from abroad, compared with 19% across Britain.

Consumer protection: Consumers have the same rights buying on-line as they do in the High Street - although it may be more difficult to obtain redress from an Internet transaction - but only a quarter of Scottish consumers are aware of this. Just over 20% of consumers would not know where to go to see redress about an Internet transaction compared with only 3% having problems with a High Street purchase.

Mr Millar said: “Our findings show that consumers want to know where they stand and exactly what to expect if they buy on-line. They want some kind of highly visible body to oversee on-line transactions and to be responsible for setting and monitoring standards for different kinds of on-line businesses. If Internet trading is to flourish, government and business need to acknowledge and address the reality of consumer scepticism. Otherwise doubts will remain, trust in e-commerce will be slow to develop and the gap between public policy and private actions will deepen.”

Ends

About the SCC:

The purpose of the SCC is to make all consumers matter. It does this by putting forward the consumer interest, particularly that of disadvantaged groups in society, by researching, campaigning and working with those who can make a difference to achieve beneficial change.