

# TRANSACTING AND BUYING ONLINE

## SCENARIO 8



Original materials created on behalf of the Education and Training Foundation  
and funded by the Department for education

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### Refers to Modules:

- Buying online 1
- Buying on line 2

### Relates to Standards:

- Buying securely online



# TRANSACTIONING AND BUYING ONLINE

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**The ability of the web to support commercial transactions has largely become the means of choice in how the UK buys and sells goods and services.**

In 2019, according to the Office for National Statistics (ONS) E-commerce sales in the UK non-financial sector were £688 billion in 2018, rising from £582 billion in 2017; at 18%, this was the largest annual growth seen since comparable records began in 2014.

Growth in total e-commerce sales has been mainly driven by an increase in website sales of £138 billion since 2014, while electronic data interchange (EDI) sales have increased by £37 billion. In 2018, 20.5% of the turnover of businesses with 10 or more employees was from e-commerce, up from 18.6% in 2017.

89% of adults in Great Britain used the internet at least weekly in 2018, up from 88% in 2017 and 51% in 2006. It includes increasing numbers of older people aged 65 years and over who shop online trebled since 2008, rising from 16% to 48% in 2018.



### TEACHING TIP

**These figures illustrate the value and volume of traffic and can be used to explore a functional maths exercise in proportions, percentages and rates of change in order to help understand the relative size of internet commercial activity. Links to more detailed data and charts are in further resources if required.**  
**(Entry level)**



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**The use of the internet by people and businesses to ‘do business’ and trade has grown and the signs are that it will continue to do so.**

The reasons for this are clear. The internet can search for goods and services across the planet and is not confined to the local high street. It provides a mechanism for negotiating over what is found, specifying what is wanted, ordering what is required, tracking its delivery, and paying for delivery of goods and services.

This scenario explores the mechanisms available to support this activity along with a discussion about avoiding some of the pitfalls and fraudulent behaviour that such an amount of traffic that involves the exchange of money inevitably attracts those who seek to exploit failures in secret and behaviour.





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## Getting started

### Exploring what is available

Buying online happens normally after a good amount of research and enquiry and it starts with a search. In some instances, the search can be specific and detailed including the name of the provider. Some searches can be encouraged in the form of advertising mail-shots and offers by email.

Notice how adverts include website addresses and, increasingly social media tags to join a community of would-be customers.

Customers are created not just by footfall into a shop but through the establishment of an account, interaction on social media with a customer community based on 'likes', and involvement in conversation that is 'followed' through social media conversation channels.



### TEACHING TIP

**The benefits of accounts are discussed more fully in Interacting with online services and the issues of their security in protecting privacy and data.**



## Forming communities as marketing

Digital marketing includes online communities of customers using tags that 'like' producers and 'follow' the discourse and development of products and services. Online shrives provide a means of being connected with a shop or service.

Cookies leave information on devices to interact with searches and account activity to improve the bond between customers and their preferences, and providers with their products and offers.

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## Customer feedback as marketing

**Apart from fraud that can affect customers, poor community ratings can affect providers and great attention is given to the social media feedback.**

Feedback that talks directly to other firms or 'would be' customers will have a direct effect on future relationships and consequent sales. Feedback is perhaps a means of giving customers an improved attention rating by providers because of the value placed in the comments by other would-be customers.



## Scenario 8

### Learning activity:

Ask learners to explore eBay or Amazon and read through the reviews placed against products for sale.

(Entry level)

- How reliable and valid do learners judge the comments to be?
- Hold a class vote to see how much weight ratings carry in affecting a decision to buy a product or not.

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### Negotiating

From large commercial providers with sophisticated websites right down to individuals with their own pages, it is possible to enquire, negotiate and then trade.

Detailed negotiating may continue by phone or through messaging and includes covering cost, specification and delivery.



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## Comparing offers, discounts terms and delivery

**As a rule, finding alternative providers of a good or service gives choice to the customer and the option to pick the best option for them.**

This could be on:

- price
- value
- delivery
- continuing support
- other free gifts
- trusted supplier
- pattern of reviews from previous customers.

Part of the negotiating is understanding the rights to return goods and services for a refund where the item is not fit for purpose, was not as advertised or warranted to be.



### TEACHING TIP

Share the file [Buying online comparison factors](#).

**Ask learners to think of examples where each of these factors might come into play in choosing a supplier and how they might be used in negotiating.**



## Scenario 8

### Learning activity:

Ask learners on an eBay or Amazon site to find a returns policy and what options are included including time limits and costs.

Understanding of these points of purchasing are essential in making decisions about what to buy.  
(Entry level)

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## Issues of privacy

**Whilst many are concerned about the security of payments, the conversations and information exchanged in setting up accounts, discussing specifications and clues from conversations also creates a good deal of personal data for the supplier to use.**

In many ways this is good because it allows a greater focus on negotiating time spent taking in transacting business. However, these are personal details and from account information and conversations and an ordering history, (with the permission given, perhaps inadvertently), preferences, and wider interests and likes can be shared with other providers who are seeking potential customers.

Personal privacy is protected by law but not all non-UK traders will follow UK codes. Considering the amount of information held by providers, it is hardly surprising they are the subject of constant hacking attacks to extract the direct and indirect value from it.

For users who buy online, sharing the minimal amount of data as is required to complete the transaction should be followed. Unused accounts should be deleted. Details that explain the marketing options should be found on any good web page with an option to choose to 'turn off' if not wanted.



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### Learning activity:

Finding the right balance of information sharing that allows faster, seamless and purposeful interactions and holding information for reasons beyond this are matters of judgement and in part may be governed by the trust placed in the provider.

Show learners two options for controlling marketing emails.

1. At the bottom of any marketing email is an option to 'unsubscribe'.

Alternatively mark any unwanted email as junk and in future, further emails from that source will go direct to the junk mailbox that can be checked and deleted at a later time.



### TEACHING TIP

**Provide examples of what may seem innocent purchases that lead to further communications.**

- A restaurateur might be interested in the addresses of any customer who lives near their restaurant, for example.**
2. (Level 1)



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## Buying online

**Buying online requires access to a bank account and the ability to instruct the bank to make the payment. Most of this is taken care of using very strict security protocols put in place by the banks.**

In addition to the security issues built into the negotiating side and the cautious nature of users, banks have a series of steps to go through as well.

These can include the use of 2-point authentication using personal devices, biometric readings, (thumb print or facial recognition), use of passwords and code generators.



### TEACHING TIP

**Asking learners to show or share or complete and online financial transaction in class is not advisable.**

The rules to emphasise are to:

1. Practice with smaller purchases first to get comfortable with the process
2. Follow the instructions carefully
3. Check at every stage and
4. Only authorise when you are happy
5. Keep receipts and confirmations for future reference.

## Scenario 8

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### Using protected accounts

Some users have a separate email address used for shopping only, and many will close and change to another address every six months or so as a means of distancing themselves from a build-up of email offers and advertisements.

A good idea is to have separate passwords for each account. This can appear complex to manage but there are applications to help and it does mean that the breach of one account does not compromise others.

Some learners may choose to establish a **separate bank account** for shopping, perhaps using one of the new mobile banking apps. By setting the trading account to having no overdraft and only putting money into the account for shopping purposes, the ability to defraud is limited.

By law, website providers must respond to requests on information held about the accounts and other details for customers who are asked to share information that is then held by the provider after the interaction.

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### Being cautious

#### Checking the seller credentials

Review the posted experiences of other customers to see if there is a pattern of honourable dealings with customers.

Pay attention to the best, the worst comments and if there is a pattern of behaviour that causes any concerns

Does the seller live in the UK or EU where rules for selling are legally binding?

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## Payment methods

**Payment methods draws on the range of marketing techniques used on the high street. It includes, money, gift cards, vouchers, and promotional codes.**

The banks all offer a very sophisticated and secure method of making payments that involves memorable words, passwords, 2-part authentication, fingerprint authorisation, all aimed at reducing fraud.



### TEACHING TIP

**Learners may like to set up a separate account for purchasing through the internet, supplied with money from the main account.**

**It can be set with no overdraft limit so any fraud cannot cause damage beyond the money already held in it.**



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## Learning activity:

### Terms of business

Ask learners to go to a website and look for the following:

- Privacy policy
- Https address
- Green padlock

(Entry level)

And find out about:

- Terms of business
- Terms for returns
- Privacy policy

(Level 1)

## Scenario 8

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### What does a fraudulent attempt to extract information look like?

In the module on protecting privacy, much is made about fraudsters reading on the good will, assumptions and credibility of customers who must initiate the fraud by following an instruction.

Clicking a button, sharing information on trust, misinterpreting the truth of who they believe they are dealing with.

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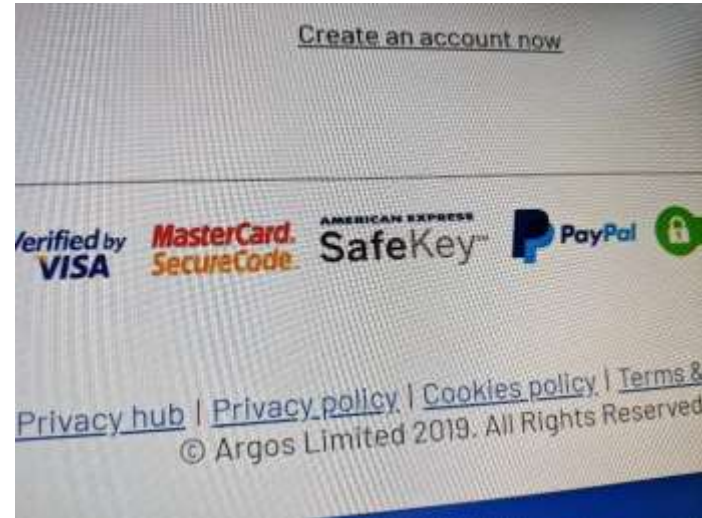
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## The green padlock (and other safety issues)

**Businesses who are going to ask you to share banking details and pay money across the Web will need to reassure users of its security.**

All providers will use an encryption service that prevents sensitive data going anywhere and being read by anyone other than the intended target. No system is completely un-hackable but seeing a green padlock on a page is a good guide to reliability and no transaction should be undertaken where it isn't evident.

The underlying and critical factor in reducing fraud is constant wariness and being alert to every message, interaction, request and call not trusting at face value any request. It includes clear and flagrant attempts of asking for personal details.



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### Learning activity:

#### What does a bogus website look like?

The problem is they look much the same as the real things for obvious reasons. However, as a guide, look for:

- poor grammar and spelling
- accept that no one will be sending you large amounts of money or that you have won money by following links
- no postal address
- a 'click here' option for further details
- no one will ever ask you for your account details.

(Entry level)

- the general quality of the website. colours, layout
- an address that has the wrong domain name. The Bank of England address, for example, will finish with .co.uk
- no reviews from other customers
- the prices offered for goods are clearly too low for what is a reasonable expectation
- unable to find privacy, policy, terms and conditions
- pages are unsecured
- there is no green padlock
- the address is http: not https:

(Level 1)

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## Receiving goods and services

### Tracking

Goods being sent to a customer's house are tracked by scanners as they are dispatched to honking warehouses then sent on for delivery.

Providers will often give half day delivery slots to help with arrangements for collection.

Local hiding areas are available for collection if preferred. Apart from helping customers make arrangements, it is in the suppliers interests not to have wasted journeys that have to be repeated.

When placing an order options are time, (day and morning/afternoon or hourly slot), and place (home, place of work, click and collect location, neighbour).



### TEACHING TIP

**Remind learners not to sign for anything that is addressed to you that was not ordered.**

**If there are signed for and anyone returns for collection, don't hand it over but make your own arrangements to return it with the supplier. Once signed for returning goods is not to be trusted to someone else.**

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## Receiving goods

### For example:

If a message says an account needs attention, don't click on the links in the message but open the account separately in the usual manner to check it.

The golden rule is: Unless there is certainty a site is genuine, distrust it.



### TEACHING TIP

**This is an example of fraudsters relying on users to trust links or assume they are OK or not stop to think of the risk. It is an assumption similar to the one that users tend to use simple and easily found passwords as a means of hacking into accounts.**



### Summary

**Transacting online and the ability to search and negotiate first then track and receive afterwards makes buying goods and services a more efficient process for users and suppliers and there are large gains to be had in terms of convenience.**

Checking what information is shared and amounts paid is important and checking how open accounts and banking arrangement are is important to maintain protection. Using separate accounts with single spending limits prevents the opportunity of fraud beyond the amounts set.

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## Extension activity

Invite learners to open a trading account they hold and find the following:

- Find the terms of business.
- Look at account privacy settings and what is allowed.
- What is the privacy policy and what options have been signed up to.

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ONS data on the use of the internet.	<a href="https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2019">https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2019</a>
ONS data on household use of the internet.	<a href="https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccessshouseholdsandindividuals/2018">https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccessshouseholdsandindividuals/2018</a>
ONS data on the type of sales over the internet.	<a href="https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/ecommerceandictactivity/2018">https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/ecommerceandictactivity/2018</a>
Guidance from Which? To online banking and what to look for in banking.	<a href="https://www.which.co.uk/money/banking/banking-security-and-new-ways-to-pay/online-banking-security/how-safe-is-online-banking-avvfj7p8cctc">https://www.which.co.uk/money/banking/banking-security-and-new-ways-to-pay/online-banking-security/how-safe-is-online-banking-avvfj7p8cctc</a>
Which? review on online banks that are app.	<a href="https://www.which.co.uk/money/banking/bank-accounts/challenger-and-mobile-banks-aj0mj7w688r5">https://www.which.co.uk/money/banking/bank-accounts/challenger-and-mobile-banks-aj0mj7w688r5</a>
Advice from the Citizens Advice Bureaus on banking fraud.	<a href="https://www.citizensadvice.org.uk/debt-and-money/banking/">https://www.citizensadvice.org.uk/debt-and-money/banking/</a>
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## Appendices

Select the links to open the PDFs for the appendices.

[Appendix 1 – Buying online comparison factors](#)

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