


# Paying by internet

Buying and selling on the internet are increasing rapidly. The payment possibilities are also becoming more and more numerous. Here is an overview of the most commonly used payment methods.



EUROPEAN CONSUMER CENTRE BELGIUM



The European Consumer Centre (ECC) forms part of a European network of 29 centres spread out over the EU (+ Norway and Iceland) which was set up on the initiative of the European Commission.

**The ECC provides information about purchasing goods and services in Europe such as:**

- What do I need to do to buy a car in Sweden?
- What is a safe way to buy a CD on the internet?
- I want to buy a television set in Germany. Is the guarantee valid in Belgium as well?

**The ECC offers legal guidance if difficulties arise in relation to purchases, for example:**

- The lounge suite that I bought in the Netherlands has not been delivered.
- The hotel room in Greece was completely different from the way it appeared in the brochure.
- I became a member of a holiday club in Spain while I was on holiday, but I now regret having done this.

**The ECC looks for an alternative solution to disputes.**

There are ombudsman, arbitration and mediation services in the European Union which can help to solve a dispute with a seller cheaply and quickly. The ECC provides information about the possibilities and will give guidance when filing a claim.

**For free information, legal advice or for mediation with a foreign seller in connection with purchases in Europe:**

02 542 33 46  
info@eccbelgie.be  
www.eccbelgie.be

With the support of the European Commission, the Belgian Federal Public Service Economy and the Belgian Consumers' Association, Test-Achats





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## Credit cards

Credit cards are the most commonly used method to make payments on the internet. You enter your card number with the expiry date and the security code on the back of the card. More and more often you need to use a card reader, where you receive a code after entering a series of 8 numbers and your pin.



This is a safe method because the law protects you against fraudulent use. The credit card company has to accept the consequences of the fraud. Moreover you can dispute a payment if the seller does not deliver the product. The credit card company can then make a 'chargeback' or reverse entry after making inquiries. This is not a legal obligation in Belgium.



You need to acquire a credit card, for which most banks make a charge. The payment procedure requires several actions.

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## Debit cards

Debit cards (or bank cards) such as Bancontact/ Mistercash are being used more and more on the internet. The procedure is similar to paying with a credit card, where you have to enter the card number and expiry date and then receive a code from a card reader.



A safe method because the law protects you against fraudulent use when you use an electronic means of payment. The bank has to accept the consequences of the fraud.



The payment procedure requires several actions.



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## Electronic transfers

You can pay on the internet by means of a transfer. You are usually directed to the website of your bank, where you make the transfer by means of online banking.



A safe method because the law protects you against fraudulent use when you use an electronic payment method. The bank has to accept the consequences of the fraud.



The payment procedure requires several actions.



Make sure to protect yourself with a solid security system to protect your computer from attacks by hackers.

To make a transfer to another European country, you need to enter the BIC (Bank Identifier Code) and IBAN code (International Bank Account Number) of the beneficiary. (link <http://www.eccbelgie.be/EN/infocenter/news.asp?u=49>)

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## Virtual credit cards

If you prefer not to use your credit card on the internet, you can make use of a virtual card offered by some banks. It is linked to your plastic credit card, but you will receive a different number and expiry date from your bank for every transaction. The amounts will be charged to your classic credit card. You can also buy a virtual credit card for a certain amount which you will use within a certain period (see 5).



A very safe method because the law protects you against fraudulent use when you use an electronic payment method. The bank has to accept the consequences of the fraud. Moreover you never disclose the number of your plastic credit card on the internet.



You need to acquire a credit card, for which most banks make a charge. After that you have to request a virtual credit card from the bank for every purchase.

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## Prepaid cards

Just as with prepaid telephone cards, you buy a prepaid card for a certain amount in a shop (e.g. Wallie, Paysafecard). You receive a scratch card in credit card format or a receipt with a code. You can then use these to make purchases from participating traders. It is also possible to buy a prepaid virtual credit card for a certain amount (e.g. Billy). The recipient will receive a virtual credit card number and expiry date and will use this in the same way as other virtual credit cards (see 4).



An anonymous means of payment, where you avoid disclosing your personal data on the internet. It can also be used by minors.

Because these cards are anonymous, they can also be given as presents.



This anonymity also has disadvantages: a prepaid card cannot be charged back like a credit card. If you lose the card then you lose its value.

There are costs involved with some prepaid cards. You can only use these cards to make purchases from participating traders.

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## E-wallets

Various businesses offer e-wallet systems, usually prepaid or post-paid.

You open a wallet on a website where you transfer an amount (or pay with your credit card). You can use the e-wallet to make purchases from participating traders. (e.g. Paypal, ClickandBuy, Click2pay, Paynova, Googlecheckout, Moneybookers)



You avoid disclosing your personal data on the internet. It can also be used by minors.



You can only use it to make purchases from participating traders.



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## Paying by telephone or mobile phone

(‘micro-payments’)

Various operators and companies offer payment possibilities with your mobile phone. You send one or more text messages to the firm or the person you wish to pay.

With some systems you have to make a link between your mobile phone and your bank account (m-Banxsafe). With others you pay with a click (e.g. M-Pay from Proximus) where the amount is deducted from your prepaid call card or added to your telephone bill. Other companies work with a virtual wallet that you first load (e.g. Tunz) and with which you can pay participating traders or anyone who has a Belgian mobile number.

You can pay for some online services using premium numbers (0900). You pay by the minute or per call. Online payment services such as Pay123 give you a pin code which you have to enter. This gives you access to the online service and you pay via your telephone bill for the time that you are online. Paying by telephone or mobile phone is mainly used for small amounts (‘micro-payments’)



You avoid disclosing your personal data on the internet. It can also be used by minors.



If you want to make purchases from online retailers they have to participate in the scheme. Usually you pay an amount per transaction (something like € 0.15 to € 0.40 depending on the system). Young people often make use of this payment method to download ringtones and logos onto their mobile phones. Some of these sites use dishonest practices and impose a subscription on you without you knowing it, so that your bill quickly adds up.

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## Paying by e-mail

You open a virtual account with a company (e.g. PayPal or Moneybookers) which is linked to your e-mail address. The virtual account is linked to your classic bank account or to your credit card. Your purchases from participating traders are charged to your credit card or your bank account whereby the virtual account functions as an intermediate link. You can also send money to friends or family who have an e-mail address and a virtual account.



You avoid disclosing your personal bank data on the internet. PayPal is used on eBay and by other online traders and offers additional protection.



If you want to make purchases from online traders they have to participate in the scheme. You usually have to pay costs (either for making withdrawals or for making payments).

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## Payment Cash on Delivery

Cash on Delivery (C.O.D.) payment has been used for many years for classic mail order sales and is now also possible with some online retailers. When you receive your parcel, you pay the price of the goods, the carriage costs and the C.O.D. costs to whoever delivers the parcel.



You avoid disclosing your personal data on the internet and you only pay when you receive your parcel.



If you want to pay cash on delivery, you will have to pay additional cash on delivery costs.

## Western Union

With Western Union you can send money almost everywhere in the world. You have to present your identity card and complete a form with the details of the beneficiary and the amount you want to transfer. You will then receive a reference number that you need to notify to the beneficiary. To receive the money, the beneficiary only has to show his identity card and the reference number.



We discourage the use of Western Union to make payments to persons you do not know. This is a quick and easy system to send money to family members or friends, but it is unsuitable for making purchases on the internet. Because identity checks are not secure, fraudsters and swindlers often use this kind of system.

## Escrow Services

An 'escrow company' is a third party which acts as a trusted partner during the payment procedure. This authorized third party ('trustee') receives the payment from the buyer and informs the seller when the money has been transferred. The buyer informs the escrow company when he has received the goods so that the seller can be paid. In principle such a method of doing business protects both the buyer and the seller.



Some swindlers offer to make use of a so-called escrow company. After the buyer has transferred the money, the escrow company disappears. It is then replaced by a new company with a different name and a different e-mail address. The buyer then loses his money for good.



## Try to avoid being swindled

- Most online traders offer several payment methods. If the retailer only offers Western Union then don't buy from him.
- Only enter the information on your card on a secure site. You can recognize a secure site by the key or lock which appears at the base of the screen or if the internet address starts with <https://> instead of the usual <http://>. Never keep your pin code with your card.
- Make sure to protect yourself with a solid security system to defend your computer against attacks by hackers.
- Choose a safe password: do not use an obvious word, but mix numbers, letters and symbols.
- Do not be fooled by e-mails or pop-ups which appear to come from your bank or another payment service where you are asked for your banking details or your password. This is termed 'phishing' and emanates from swindlers who will try to take money from your account. Even if this appears trustworthy, always first contact your bank or payment service.

- Most online traders are honest and wish to hold on to their customers. But there are also swindlers in the virtual world. There is a golden rule: **if it seems too good to be true then it is.**



Useful links:

- Information about fraud on the internet: <http://economie.fgov.be/e-prevention.htm>
- If you are a victim of internet fraud you can make a complaint at [www.ecops.be](http://www.ecops.be) (online counter of the FPS Economy and the Federal Police).
- Information about paying with a credit card: [www.internet-observatory.be](http://www.internet-observatory.be)

More ECC Belgium publications. They can be ordered free of charge or downloaded from [www.eccbelgium.be](http://www.eccbelgium.be)



La nouvelle loi sur les garanties



Feuille d'information sur le Centre Européen des Consommateurs



La revente d'un timeshare



Vos droits en tant que voyageur



Envoyer de l'argent en Pologne



Acheter sur Internet



Louer un véhicule en Europe



Comment résoudre votre litige de consommation



Acheter une voiture dans l'Union européenne



Soins de santé en Europe

The European Consumer Centre network was set up on the initiative of the European Commission to offer free assistance to consumers in the European Union.

**ECC Belgium**

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**EUROPEAN CONSUMER CENTRE BELGIUM**

**Free legal advice: every working day from 9.00 a.m. to 12.30 p.m. and from 1.30 p.m. to 5.00 p.m. On Monday from 10.00 a.m.**

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