

The Canadian Code of Practice

for **Consumer Protection in Electronic Commerce**

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The Canadian Code of Practice for Consumer Protection in Electronic Commerce was developed by business and consumer groups, and government representatives. In January 2004, the Code was endorsed by federal, provincial and territorial Ministers responsible for consumer affairs, as a model for effective consumer protection in electronic commerce.

What is the Code?

The Code consists of eight principles of good business practice for merchants who promote and sell their goods and services through electronic commerce.

Why create a Code of Practice?

With online commerce growing rapidly, unique concerns are surfacing for both consumers and vendors. Consumers want to feel confident about the quality of the goods and services they purchase and the security of the online systems they use. As online customers, they also expect to be treated honestly and fairly. Vendors want to build trust with their client base, while also ensuring that they receive a fair return for their products and services.

A Code of Practice encourages this confidence and builds consumers' trust in companies. It is good business — for companies and for consumers.

Why is the Code important to your business?

The Code shows companies how to be proactive in fully and clearly communicating with their online customers, and how to interact with them before, during and after a transaction.

Compliance with the good business practices in the Code will signal to your clients that you have addressed their key trust issues, and that they can do business with your company with confidence. With these benchmarks in place, customers can concentrate on how your company's goods or services meet their needs, and you can build effective customer relationships over the longer term.



Ontario

Québec 



Government of
Saskatchewan



GOVERNMENT OF ALBERTA

THE EIGHT PRINCIPLES

The Code's eight principles cover key aspects of a vendor's online interaction with customers: information provision; language; contract formation; online privacy; security; complaint handling and dispute resolution; unsolicited e-mail; and communications with children.

For each principle, the underlying themes are *transparency* and *fairness*.

Here are some highlights from the Code:

Principle 1: Information Provision

All required information that appears on a Web site must be clearly presented in plain language. It must be current, accurate and not deceptive; and must be easily accessible to consumers at appropriate stages in their decision-making process. Consumers must be able to save or print this information.

Vendors must identify themselves on their Web sites. They must provide information about their policies: to whom to direct questions or claims, how to register complaints, and where to obtain repair or support services.

In addition to providing fair and accurate descriptions of the goods or services offered, vendors shall ensure that all terms and conditions of sale related to the transaction are available to consumers. Vendors have to provide customers with a record of the transaction as soon as possible after it has been completed.

Principle 2: Language

The given language the vendor uses to offer goods or services must be the same language used to provide all information about the vendor, the good or service, the policies relevant to the purchase, the terms and conditions of the transactions, and related customer services.

Principle 3: Contract Formation and Fulfilment

The vendor shall take reasonable steps to ensure that the consumer's agreement to contract is fully informed and intentional. The vendor must also make sure that the customer has a meaningful opportunity to correct or cancel an order before it is accepted and processed.

Principle 4: Online Privacy

This principle states that vendors must adhere to the provisions set out in the Code's Appendix on protection of personal information. Additional requirements include making privacy policies easily accessible from the home page, and limiting collection and use of personal information. Provisions are also made for disclosure, transfer and protection of such information, and for obtaining consumer consent.

Principle 5: Security of Payment and Personal Information

It is the vendor's responsibility to protect the integrity and confidentiality of payment and other personal information provided by the customer. If a third party is involved, the company must also ensure that the third party complies with this principle.



Principle 6: Complaint Handling and Dispute Resolution

The vendor will provide access to fair, timely and effective means to resolve problems with any transaction. Internal complaints-handling processes must be easily accessible, available free of charge, and easy to use. Vendors must record and monitor complaints.

Principle 7: Unsolicited E-mail

Vendors shall not send marketing e-mails to consumers without their consent except when they already have an existing relationship with them. In addition, vendors who send marketing e-mails must display a return address and allow clients to request that vendors no longer send such messages to them.

Principle 8: Communications with Children

Vendors have social responsibilities when they communicate with children. They must use age-appropriate language, refrain from exploiting children's credulity, lack of experience or sense of loyalty, and must not exert pressure.

Vendors shall take all reasonable steps to prevent monetary transactions with children. With few exceptions, vendors shall not collect, use or disclose personal information of children without the express, verifiable consent of their parents or guardians. Vendors shall not knowingly send marketing e-mail to children.

For the full text of the Code and more information on its implementation, visit

www.cmcweb.ca/ecommerce

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