

BRIDGING THE DIGITAL DIVIDE, PROBLEMS AND SOLUTIONS



Lo Ee Yee
Graduate with an LLB
Second Class Honours
from the University of
Leeds; former student
of HELP University
College

This article seeks to lay down a platform to analyse the current adoption of business to consumers (B2C) e-commerce policy in governments and international organisations, with particular focus on the British Government and the European Union. This article would be focusing on three main issues. First, this will touch on closing the 'digital divide' and followed by discussion of what is perceived to be a favourable regulatory framework in e-commerce. Last but not least, the issues of trust and confidence among consumers within the e-commerce system will be examined.

Closing the 'Digital Divide'

The issue of the digital divide¹ is given the most attention as it is the basic and fundamental step towards developing e-commerce. Without the internet as a medium for businesses to be conducted over the virtual world, e-commerce would not have been possible. Essentially, the accessibility to the internet has become one of the highest barriers to e-commerce.² Yet, the other vital factor that goes hand in

¹ Digital divide means 'the gap between individuals, households, businesses and geographic areas at different socio-economic levels with regard both to their opportunities to access information and communication technologies (ICTs) and to their use of the Internet for a wide variety of activities' as defined in Organisation For Economic Co-operation And Development, 'Understanding the Digital Divide', <<http://www.oecd.org/dataoecd/38/57/1888451.pdf>> accessed 26 October 2008.

² Cabinet Office Performance and Innovation Unit, 'e-commerce at its.best.uk:The Government's strategy', <http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/strategy/ec_body%20pdf.ashx> accessed 20 October 2008.

hand with accessibility to the internet would be education.³ It is only when education meets together with easy access to the internet that the problem of the digital divide will be solved.

Education- Is It Sufficient?

E-commerce could not have been possible without integration between customers and business enterprises. The simple economic theory fits well here, where there is a demand, there will be a supply! Thus, the simple understanding of the benefits of e-commerce should be preached to the small and medium enterprises (SME) and consumers in general in order to catch up with the economic cycle of the fast growing information technology savvy society.

Vast and intensive education measures have been implemented by the British government. The setting up of Information and Communication Technology ('ICT') classes in educational institutions and the United Kingdom online centres for adult learners are a few of those examples.⁴ Nonetheless, in order to increase the level of digital literacy among the public to a higher level would require more than just that. The public requires both the motivation and the interest to learn about utilising the internet, as this has been the main reason deterring the majority from going online.⁵ The solution to this problem would be as mentioned above: by raising the awareness of the benefits of the internet. In the context of e-commerce, shopping online would be a great help for those with physical disabilities and not to mention that shopping online is often much cheaper than buying from a physical

³ Cabinet Office Performance and Innovation Unit, 'e-commerce at its.best.uk:The Government's strategy', <http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/strategy/ec_body%20pdf.ashx> accessed 20 October 2008.

⁴ Cabinet Office Prime Minister's Strategy Unit, 'Connecting the UK : The Digital Strategy March 2005', <<http://www.berr.gov.uk/files/file13434.pdf>> accessed 21 October 2008.

⁵ *Ibid.*

store. For example, the fact that an average internet shopper could save between £52 and £104 per year should be publicised to consumers.⁶

Statistics have also shown that the elderly and those with low education qualifications are those who are still inactive in accessing the internet,⁷ needless to say even trading online. The lack of confidence has a major impact on them, as this is the second major reason that people would not go online.⁸ This phenomenon leads us to question whether the education measures implemented by the British government have been equally distributed among the citizens and not merely focussed on the young and educated ones.

At the European Union level, it is noted that 40% of Europeans have never used the internet before.⁹ The reasons for this would be pretty much the same at the national level: the lack of awareness of the importance of digital literacy, especially among the marginalized groups and the problem of easy access to internet. Ongoing European initiatives such as the policy of 'European i2010 initiative on e-Inclusion - to be part of the information society' gives much attention to the disabled and elderly with regard to the training and education towards digital literacy.¹⁰ A very valid opinion proposed by the Committee of Regions on the i2010 eGovernment Action Plan would be the highlighting of non-technical education, *exempli gratia*

⁶ Office of Fair Trading, 'Internet Shopping', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft921.pdf> accessed 18 November 2008.

⁷ Office of National Statistics, 'Internet Access 2008 Households and Individuals', <<http://www.statistics.gov.uk/pdfdir/iabi0808.pdf>> accessed 22 October 2008.

⁸ Cabinet Office Prime Minister's Strategy Unit, 'Connecting the UK : The Digital Strategy March 2005', <<http://www.berr.gov.uk/files/file13434.pdf>> accessed 21 October 2008.

⁹ Commission of the European Communities, 'Volume 1: i2010 — Annual Information Society Report 2008', <http://ec.europa.eu/information_society/eeurope/i2010/docs/annual_report/2008/sec_2008_470_Vol_1.pdf> accessed 04 November 2008.

¹⁰ Europe's Information Society, 'June 2006 - Riga Ministerial Conference - 'ICT for an Inclusive Society'', <http://ec.europa.eu/information_society/activities/einclusion/events/riga_2006/index_en.htm> accessed 04 November 2008.

(e.g.) internet demonstration events that should be provided to the elderly and disadvantaged.¹¹

Are We Better Connected?

Low internet access rate in rural areas have always been a concern, the fact that people who live in rural areas are generally the elderly and lower income, makes cost one of the barriers to internet access.¹² The investment of £100 million by the British government in providing broadband access in rural areas¹³ and other funding from the private sectors evidently shows that the situation now has improved to a great extent, with some rural areas better connected than the urban areas.¹⁴ Yet, there are still complaints about the government neglecting rural broadband connections; recently¹⁵ indicating that more investment needs to be provided by the British government in this area.

A notable achievement by the British government is the reduction of the cost of access to internet to amongst the lowest in the world and the cost of Local Loop Unbundling service¹⁶ to the lowest in Europe by adopting a pro-competition

¹¹ European Union Committee of the Regions, 'Opinion of the Committee of the Regions on Bridging The Broadband Gap And i2010 eGovernment Action Plan', <<http://coropinions.cor.europa.eu/coropiniondocument.aspx?language=en&docnr=272&year=2006>> accessed 04 November 2008.

¹² Cabinet Office Prime Minister's Strategy Unit, 'Connecting the UK : The Digital Strategy March 2005', <<http://www.berr.gov.uk/files/file13434.pdf>> accessed 21 October 2008.

¹³ BBC News, '£100 million to speed up internet access' *BBC News*, <<http://news.bbc.co.uk/1/low/wales/2121390.stm>>, accessed 29 October 2008.

¹⁴ Office of Communications, 'Rural broadband households overtake urban for the first time', <http://www.ofcom.org.uk/media/news/2008/05/nr_20080522> accessed 27 October 2008.

¹⁵ 'Rural broadband subscribers outstrip urban neighbours says Ofcom', <<http://www.computerweekly.com/Articles/2008/05/22/230785/rural-broadbandsubscribersoutstrip-urban-neighbours-says.htm>> accessed 18 November 2008.

¹⁶ For definition of Local Loop Unbundling look at ANACOM, 'Local Loop Unbundling', <<http://www.anacom.pt/render.jsp?categoryId=39010#1>> accessed 18 November 2008.

policy.¹⁷ However, statistics reveal that the internet access rate of the lower income groups does not improve at an expected standard.¹⁸ This infers that costs are still a major issue to the economically deprived individuals. Therefore, more forms of subsidies for internet access mainly targeting those with lower incomes should be provided for by the government.

At the European Union level, practical solutions such as satellite communication have been suggested to provide high speed internet connections in under-served areas¹⁹ and this has been confirmed according to the recent White Paper by the Commission on Space Policy.²⁰ On the other hand, the Commission has also allowed structural funds to be used in rural areas to develop technology infrastructure despite competition rules forbidding it.²¹ However on this point, guidelines had been laid down to avoid the disparity in the market.²² It is submitted that the policies taken here undeniably are favourable in closing the digital divide at

¹⁷ Cabinet Office Prime Minister's Strategy Unit, 'Connecting the UK : The Digital Strategy March 2005', <<http://www.berr.gov.uk/files/file13434.pdf>> accessed 21 October 2008.

¹⁸ Office of National Statistics, 'Internet Access 2008 Households and individuals', <<http://www.statistics.gov.uk/pdffdir/iahi0808.pdf>> accessed 22 October 2008; see also Office of Communications, 'The Consumer Experience Research Report 2007', <https://vlebb.leeds.ac.uk/courses/1/200809_12225_LAW3255/content/_186346_1/OFC_OM_research07.pdf?bssession=5593589&bssession_str=session_id=5593589,user_id_pk1=28108,user_id_sos_id_pk2=1,one_time_token> accessed 10 November 2008.

¹⁹ Commission of the European Communities, 'Digital Divide Forum Report- Broadband access and public support in under-served areas', <http://ec.europa.eu/information_society/eeurope/i2010/docs/digital_divide/sec_ddf_report.pdf> accessed 04 November 2008.

²⁰ Commission of the European Communities, 'Communication From The Commission To The Council And The European Parliament European Space Policy', <http://ec.europa.eu/enterprise/space/doc_pdf/esp_comm7_0212_en.pdf> accessed 04 November 2008 as cited in EurActiv.com, 'Bridging the 'digital divide': EU Policies', <<http://www.euractiv.com/en/infosociety/bridging-digital-divide-eu-policies/article-132315>> accessed 04 November 2008.

²¹ Commission of the European Communities, 'Digital Divide Forum Report- Broadband access and public support in under-served areas', <http://ec.europa.eu/information_society/eeurope/i2010/docs/digital_divide/sec_ddf_report.pdf> accessed 04 November 2008.

²² Commission of the European Communities, 'Digital Divide Forum Report- Broadband access and public support in under-served areas', <http://ec.europa.eu/information_society/eeurope/i2010/docs/digital_divide/sec_ddf_report.pdf> accessed 04 November 2008.

the European Union Level. Nonetheless it is hoped that the policies planned are carried out in effective ways as actions speak louder than words!

Language is another barrier to internet access as English remains the dominant language in internet usage.²³ Though multilingual translation software exists, for example the Multilingual User Interface (MUI), which is one of Microsoft's technologies that enables users to select the language of their choice to be displayed; the number of trading websites displaying more than one language is rare.²⁴ It is submitted that language barriers such as this might be an infringement to Article 14 of ECHR²⁵ as it contains provisions which prohibits discrimination on grounds of language,²⁶ which means that people who do not understand the content of a website might be discriminated on grounds of language. This is a hindrance to the development of e-commerce and it is submitted here that translation services should be compelled to be available on trader websites to close the digital divide and thus improve e-commerce.

Turning our attention to international organisations, competition policies are crucial in lowering the price of internet access²⁷ as mentioned by the Organisation for Economic Co-operation and Development (hereinafter referred to as 'OECD') but it is noted that in some developing countries such as Malaysia, the majority of the broadband service is still monopolised by a single internet service provider,²⁸ namely TMNET streamyx. Undoubtedly, the cost of internet access in

²³ Internet World Stats, 'Top 10 Language in the Internet', <<http://www.internetworldstats.com/stats7.htm>> accessed 05 November 2008.

²⁴ Robert M. Wolk, 'The Effects of English Language Dominance of the Internet and the Digital Divide', <<http://ieeexplore.ieee.org/stamp/stamp.jsp?arnumber=01314348>> accessed 05 November 2008.

²⁵ European Convention on Human Rights.

²⁶ Council of Europe, 'Convention for the Protection of Human Rights and Fundamental Freedoms as amended by Protocol No. 11', <<http://conventions.coe.int/Treaty/en/Treaties/Html/005.htm>> accessed 19 November 2008.

²⁷ Organisation For Economic Co-operation And Development, 'Understanding the Digital Divide', <<http://www.oecd.org/dataoecd/38/57/1888451.pdf>> accessed 26 October 2008.

²⁸ ZD Net Master, 'Malaysia's Broadband Services Under Fire', <<http://www.zdnetasia.com/news/communications/0,39044192,62028004,00.htm>> accessed 11 November 2008.

Malaysia would be higher as compared to other countries where Internet Service Providers (ISP) provide competitive packages with lower fees to attract customers. The cost factor deters the public from using the internet, and this inevitably creates barriers towards improving e-commerce.

The issue of the digital divide has been a highly contentious problem for nearly two decades and it still has not been resolved despite countless initiatives put forward by governments, supranational and international organisations. As noted by the European Commission in a recent press release, the progress of bridging the digital divide is still sluggish and fragmented notwithstanding various targets set down in the action plan itself.²⁹ It is only with full co-operation from the industry, government and regulators,³⁰ together with consistency in action that everyone in society would have to access the internet.

A Favourable Regulatory Framework at the National, Supranational and International Level

Given the global and borderless nature of the internet, strong co-ordination has to be achieved among the governments, supranational and international bodies in order to provide a coherent and clear framework for all. Nonetheless, multi-level governance is never an easy task to achieve and this section seeks to provide a clear understanding of how far the current situation is from the ideal regulatory framework.

National Level

It has been long recognised in the *ecommerce@its.best.uk* report by the British government in 1999 that traditional means of government regulation is hardly

²⁹ 'Commission Calls for an all Inclusive Society', <<http://www.e-inclusionawards.eu>> accessed 12 November 2008.

³⁰ *Ibid.*

applicable these days as its rigidity would result in the slow development of e-commerce.³¹ Therefore, co-regulation is identified as the best way to regulate the ever fast changing field of e-commerce.³² Co-regulation here simply means both the government and industry have essential roles to play in the regulatory field.

Government legislation which serves as a 'back up' role is mandatory when primary legislation is required.³³ For instance, successful regulatory results would be the *Data Protection Act 1998*³⁴ and the implementation of the *European Union E-Commerce Directive 2000*³⁵ through the *E-Commerce Regulations 2002*.³⁶ At this stage, government intervention is considered to be sufficient as it provides the right amount of certainty to the citizens without over-intervention.

As for the self-regulatory framework, the few hallmark schemes governing e-commerce are *tScheme*,³⁷ *Internet Shopping Is Safe (ISIS) Scheme*³⁸ and *Safe Buy*.³⁹ It is argued that the appearance of various hallmark or trust schemes cause doubts in customers as to their credibility and reliability.⁴⁰ Instead of supporting the idea of developing a single hallmark scheme, the Better Regulation Task Force

³¹ Cabinet Office Performance and Innovation Unit, 'e-commerce at its.best.uk: The Government's strategy', <http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/strategy/oc_body%20pdf.ashx> accessed 20 October 2008.

³² Cabinet Office Performance and Innovation Unit, 'e-commerce at its.best.uk: The Government's strategy', <http://www.cabinetoffice.gov.uk/~media/assets/www.cabinetoffice.gov.uk/strategy/oc_body%20pdf.ashx> accessed 20 October 2008.

³³ www.parliament.uk, 'Select Committee on the European Union', <<http://www.parliament.the-stationery-office.co.uk/pa/ld199900/ldselect/lducom/95/0051002.htm>> accessed 12 November 2008.

³⁴ Internet Service Provider.

³⁵ 2000/31/EC.

³⁶ SI 2000/2013.

³⁷ *tScheme*, 'About *tScheme* and its organisations', <<http://www.tscheme.org/about/index.html>> accessed 12 November 2008.

³⁸ Internet Shopping is Safe Scheme, 'Internet Shopping is Safe', <<http://isisaccreditation.imrg.org/>> accessed 16 November 2008.

³⁹ The SafeBuy Assurance Scheme, <<https://www.safebuy.org.uk/what-is-safebuy.html>> accessed 11 November 2008.

⁴⁰ Better Regulation Task Force, 'Better Regulation for e-commerce December 2008', <http://archive.cabinetoffice.gov.uk/brc/upload/assets/www.brc.gov.uk/e_com.pdf> accessed 12 November 2008.

emphasises on the role of the government in educating the consumers to differentiate between a good scheme and a bad scheme, which is an appreciable recommendation.

An Analysis of the Safe Buy Assurance Scheme

Currently, in the UK *SafeBuy* is the only self regulating scheme of e-commerce which has completed stage one of the two-stage process towards gaining the Office of Fair Trading (hereinafter referred to as 'OFT') approval of the Consumer Codes Approval Scheme (hereinafter referred to as 'CCAS').⁴¹ Yet, the question remains as to what is deterring *SafeBuy* from gaining full approval? According to CCAS, the OFT would normally anticipate six months for the code provider to prove that they have fulfilled the requirements of Stage Two, which is to prove that the code is working in practice.⁴² However, two and a half years have already passed since *SafeBuy* first completed stage one⁴³ but the logo of OFT is yet to appear on *SafeBuy*'s website. This would most probably be due to the fact that *SafeBuy* has not fully carried out its monitoring duty against its members effectively as there has not been any evidence that they have expelled any of their members for non-compliance of the codes of conduct. This form of information should be published in the OFT's website in order to inform consumers' about the flaws in the schemes.

Another issue regarding *SafeBuy* is the email arbitration scheme. This scheme would be provided in the event that *SafeBuy*'s mediation scheme is unsuccessful in handling a customer's complaint. Yet, consumers have to bear the cost of this scheme, with the lowest amount of £23.50 for a claim which is lower

⁴¹ The *SafeBuy* Assurance Scheme, <<https://www.safebuy.org.uk/what-is-safebuy.html>> accessed 11 November 2008.

⁴² Office of Fair Trading, 'Consumer Codes Approval Scheme Frequently Asked Questions August 2008', <http://www.offt.gov.uk/shared_offt/Approvedcodesofpractice/codesfaq.pdf>, accessed 10 November 2008.

⁴³ Office of Fair Trading, 'SafeBuy completes stage one of OFT Consumer Codes Approval Scheme', <<http://www.offt.gov.uk/news/press/2006/37-06>> accessed 14 November 2008.

than £1000.⁴⁴ Though the cost of arbitration is claimed to be 'low' by *SafeBuy*, this leads to practical difficulties for those whose total amount of shopping cost is lower than £23.50, as many would not want to go through all the hassle for such a small amount of monetary compensation.

Furthermore, the complicated terms and conditions laid down by *SafeBuy* would create confusion among consumers. Consumers prefer simple and clear information rather than loads of information which is hard to digest at times.⁴⁵

In general, the OFT should put the public on notice about the flaws of *SafeBuy* as this would enhance the understanding of consumers and lead them to make the right choice of purchase, thus increasing their confidence towards e-commerce.

European Union Level and the International Level

Regulatory initiatives at the European Union Level have resulted in a few Directives such as the *E-Commerce Directive*⁴⁶ (hereinafter referred to as 'ECD') and the *Consumer Protection (Distance Selling) Directive*⁴⁷ (hereinafter referred to as 'DSD'). However, according to the latest Special Eurobarometer survey published in November 2003, only a mere 6% of the European Union citizens are involved in cross-border e-commerce.⁴⁸ The main reason behind the low percentage of people involved in cross border e-commerce is due to the fact that fragmented rules among

⁴⁴ The *SafeBuy* Assurance Scheme, 'The *SafeBuy* Consumer Arbitration Service', <http://www.idrs.ltd.uk/safebuy/pdf/Application_Form.pdf> accessed 10 November 2008.

⁴⁵ A final report by the Better Regulation Executive and National Consumer Council on maximising the positive impact of regulated information for consumers and markets, 'Warning! Too much information can harm', <https://vlebb.leeds.ac.uk/webapps/portal/frameset.jsp?tab_id=_2_1&url=%2Fwebapps%2Fblackboard%2Fexecute%2Flauncher%3Ftype%3DCourse%26id%3D_14038_1%26url%3D> accessed 12 November 2008.

⁴⁶ 2000/31/EC.

⁴⁷ 97/7/EC.

⁴⁸ Eurobarometer, 'Special Consumer Protection in the EU', <http://ec.europa.eu/public_opinion/archives/ebs/ebs252_en.pdf> accessed 15 November 2008.

Member States in the European Union exist.⁴⁹ For example, though the DSD has been transposed by every Member State, according to Article 14 of the Directive, discretion is still left to Member States to sustain stricter provisions.⁵⁰ Therefore, this creates confusion to both retailers and consumers as they are unsure as to what extent, they need to comply with the rules of the country that they are trading with. In order to increase the legal certainty of the regulatory framework, the European Commission is currently reviewing the consumer *acquis*,⁵¹ with the sole objective of harmonising the rules across the European Union with regards e-commerce.⁵² Even if harmonisation of rules come into existence at a later time due to the full co-operation of all member States, consumers and retailers have to be made aware of it – in other words, by keeping the public well informed at all times.

At the international level the regulatory framework has far less binding force compared to national or supranational levels. For instance, the United Nations Commission on International Trade Law (hereinafter referred to as 'UNCITRAL') has created a Model Law on Electronic Commerce while the OECD has laid down the OECD Consumer Protection Guidelines for E-Commerce. Though they are merely guidelines and thus not legally binding on all nations, the guidelines would be instructive for developing countries to build up policies regarding e-commerce.⁵³ However, there are some views to the effect that international organizations such as the above mentioned are not the appropriate bodies to make international policies as they are not representative of developing nations views.⁵⁴ Without the issue of the

⁴⁹ EurActiv.com, 'eCommerce - A market without borders?', <<http://www.euractiv.com/en/infosociety/ecommerce-market-borders/article-169710>> accessed 15 November 2008.

⁵⁰ Europa Press Release Rapid, 'Questions and Answers on Distance Selling (Ref.MEMO/06/339 Date: 21/09/2006)', <<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06/339>> accessed 16 November 2008.

⁵¹ EurActiv.com, 'eCommerce - A market without borders?', <<http://www.euractiv.com/en/infosociety/ecommerce-market-borders/article-169710>> accessed 15 November 2008.

⁵² EurActiv.com, 'eCommerce - A market without borders?', <<http://www.euractiv.com/en/infosociety/ecommerce-market-borders/article-169710>> accessed 15 November 2008.

⁵³ Federal Trade Commission, 'U.S. Implementation of the OECD E-Commerce Guidelines', <<http://www.ftc.gov/speeches/thompson/thomtadremarks.shtml>> accessed 16 November 2008.

⁵⁴ *Ibid.*

digital divide being solved, it is submitted here that the creation of a coherent consensus among all nations will never occur.

Trust and Confidence

The issue of trust and confidence remains to be an issue deterring consumers from buying online. Among the security problems faced by consumers are namely fraud, scam, spam, identity theft and the non availability of rights for redress. This section will focus on three main issues: (i) consumers' awareness of existing rights (ii) compliance and enforcement issues and (iii) right to redress.

Awareness Issues - Still Too Low?

It is submitted that the existing legislation of individual countries in the West particularly in the United States and the European Union, protecting consumer rights in relation to e-commerce are comprehensive and satisfactory. However, awareness of consumers in this aspect remains low. The Web Sweep Analysis conducted by OFT had shown that 56% of the internet shoppers are unaware about their right to cancel and 29% are unsure as where to turn to get advice regarding their rights.⁵⁵ Therefore, it is vital for consumers to know and understand the risks they would face when dealing online and what precautions they should take to avoid the risks without having unnecessary fears.⁵⁶ For example, spam generally would not occur while trading online but the existence of spam tends to deter consumers from trading online as it is one of the major security problems and the one most often publicised in relation to transactions on the internet.⁵⁷ Not to mention that most consumers are unaware that they can get a full refund from credit card companies for purchases of goods or services between the value of £100 and

⁵⁵ Office of Fair Trading, 'Web Sweep Analysis March 2008', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/ofb982.pdf> accessed 15 November 2008.

⁵⁶ Office of Fair Trading, 'Internet Shopping', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/ofb921.pdf> accessed 18 November 2008.

⁵⁷ *Ibid.*

£30,000 in the event of fraudulent activities according to section 75 of the *Consumer Credit Act 1974* as it is often mistakenly thought that statutes such as the above only apply to offline transactions.⁵⁸ In conclusion, vigorous campaigns are required to raise the awareness level among consumers. It is to be noted that the right balance needs to be struck between the need to inform consumers of possible security risks on the internet and updating them on the precautionary measures taken by legislation and / or voluntary trading codes which aim to minimise these risks, thus alleviating any negative impressions with regards e-commerce.⁵⁹

Compliance and Enforcement

Online retailers awareness of existing regulations in the area of e-commerce is as low as that of consumers, resulting in the lack of compliance amongst online retailers, which is evidenced by the following:

- 14% of websites do not provide any physical address
- 15% of websites appeared not to provide any information with regards consumer's right to cancel within 7 working days
- 31% of websites do not fully refund the cost of goods
- 40% of websites fail to provide the compulsory additional charges that would be added later on.⁶⁰

The low rate of compliance among retailers lead us to question the initiatives for enforcement by enforcement officers. This situation is mostly caused by the difficulties in tracking down traders (as they could easily shut down their operations), the quick pace of evolvement of technology and the involvement of

⁵⁸ Office of Fair Trading, 'Web Sweep Analysis March 2008', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft982.pdf> accessed 15 November 2008.

⁵⁹ Office of Fair Trading, 'Internet Shopping', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft921.pdf> accessed 18 November 2008.

⁶⁰ Office of Fair Trading, 'Web Sweep Analysis March 2008', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft982.pdf> accessed 15 November 2008.

various parties in a transaction.⁶¹ In tackling this issue, the OFT Internet Shopping report proposes various initiatives.⁶² Nevertheless, the result of the proposed initiatives is yet to be evaluated as there is no latest survey after the mentioned report on the compliance by retailers of the regulations.

Right to Redress

Currently, the best means of settling a dispute with regards online purchases would be through the Online Dispute Resolution (hereinafter referred to as 'ODR'). The major problems in developing the ODR would be gaining public recognition despite other issues such as regulation and enforcement mechanisms.⁶³ As this is an emerging form of settling disputes online, many are still not aware of its existence, and it seems that lawyers and litigants are still slow in embracing ODR.⁶⁴ Therefore, governments should make the public aware of the existence of ODR which is both time saving and cost effective.⁶⁵

Conclusion

Having analysed the above three issues, it seems that the closing of the digital divide is improving at a slow pace, resulting in the almost stagnant development of e-commerce as a whole. Great harmonisation efforts are ongoing at the European Union level. However a coherent framework at the international level is unlikely to be achieved in the future decades as there are still too many developing countries which are new to e-commerce. As for the issue of boosting trust and confidence

⁶¹ Office of Fair Trading, 'Internet Shopping', <http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft921.pdf> accessed 18 November 2008.

⁶² *Ibid.*

⁶³ Wahab M., 'Globalisation And ODR: Dynamics Of Change In E-Commerce Dispute Settlement', (2004) 12 IJL & IT 123.

⁶⁴ 'UK must increase awareness of IT to stay at forefront of global dispute resolution', <<http://www.computerweekly.com/Articles/2005/05/03/209708/uk-mustincrease-of-it-to-stay-at-forefront-of-global-dispute.htm>> accessed 19 November 2008.

⁶⁵ *Ibid.*

among consumers, the only way to do this is to educate consumers about their rights and to remind retailers of their obligations. To sum up, there is still room for improvement both as regards the regulation of e-commerce, and the awareness of consumer rights as only when these issues have been fully resolved can e-commerce be integrated into everyone's daily life.