

National Consumer Week 2018

Citizens Advice Scotland: campaign plan

Dates:

- **Media launch:** Friday 23rd November (Black Friday)
- **Campaign launch:** Monday 26th November (Cyber Monday)

General background

National Consumer Week (NCW) is an annual opportunity to raise awareness of issues that cause consumer detriment across the country, and the protections and resource available to help people when they need it. Every year covers a different topic and in previous years, the campaign has promoted awareness of issues such as electrical safety, subscription traps and consumer rights.

The campaign is led by Citizens Advice in England and Wales. Citizens Advice Scotland and Trading Standards Scotland will be leading the National Consumer Week campaign in Scotland, developing a campaign that resonates with a Scottish audience. Citizens Advice Scotland has undertaken data analysis out with the CPP Knowledge Hub, analysing Scottish data only.

This year's campaign

This year, the focus of the campaign will be **online marketplaces**. This is also in line with the CPP priority on online marketplaces.

Online marketplaces sell goods (e.g. EBay) and services (e.g. Airbnb); however we have made the decision to focus solely on online marketplaces selling goods. Generally the platforms don't own the goods being sold, so the sales are often consumer to consumer or small or medium enterprises (SME) to consumer.

Online shopping is now a big part of everyday life in the UK. In 2016, £154 billion was spent on the internet in the UK¹, with 87% of UK shoppers buying domestic goods or services online, totalling an average spend of £380 over a three month period.²

This shift to online spending is increasing. According to data from the ONS, online sales increased by 21.3% during 2016 and should reach 30% by the second half of 2017³. 18% of all UK retail purchases are forecast to happen online in 2018 and the total average ecommerce spend per customer is estimated to be £1,600⁴.

¹ <https://www.bbc.co.uk/news/business-39655039>

² https://ec.europa.eu/unitedkingdom/news/uk-consumers-most-confident-e-shoppers_en

³ <https://www.nasdaq.com/article/uk-online-shopping-and-e-commerce-statistics-for-2017-cm761063>

⁴ <https://www.smartinsights.com/ecommerce/ecommerce-strategy/37-indispensable-ecommerce-stats-to-inform-your-2017-strategy/>

While many online sales will be with established businesses a **significant proportion of transactions are via online marketplaces**. There are millions of eBay users in the UK, and last year more than half of the items sold on Amazon came from their third-party marketplace⁵. There is therefore a clear need to make sure that consumers are aware of their rights when using online marketplaces, particularly as consumer rights can be different in these cases, for example when the transaction is consumer to consumer (C2C).

Who uses online marketplaces?

The vast majority of consumers (87%) are considered online shoppers, although consumers in rural (91%) and remote (88%) areas are more likely to be online shoppers than those in urban areas (84%) and island inhabitants (45%).⁶

While consumers of all ages use online marketplaces, research finds that people aged between 25 and 44 were particularly likely to have purchased something from a website with multiple sellers.⁷ The demographics vary somewhat across platforms but still reflect this - the largest age group on eBay for example is 35-49 year olds (32%), while on Amazon the largest age group is 30-39 year olds followed by 40-49 year olds.⁸

Scottish evidence

Using a yearlong period from 1st July 2017 – 30th June 2018 we have identified Scottish consumers, who have contacted the Citizens Advice Consumer Service, to examine issues they are dealing with when using online marketplaces. The total case size is 1,390 complaints.

We have identified the four online marketplaces that consumers are complaining to the Consumer Service about most frequently: Facebook Marketplace, eBay, Amazon and Gumtree.

Scottish consumers are faced with a range of problems when using online marketplaces

Our evidence tells us that there is a variety of complaint types, a number of issues with transaction methods and a broad range of goods that consumers are dealing with when using online marketplaces.

Of the 1,390 cases, the largest portion of people had a problem with the used car they had purchased (13%), following this mobile phones and accessories (4%), then other (3%). In this sense, ‘other’ accounts for an item that isn’t listed within the reporting system which is broad-ranging.

⁵ <https://qz.com/1256651/amazon-marketplace-sold-more-stuff-than-amazon-itself-in-2017/>

⁶ https://www.citizensadvice.org.uk/global/migrated_documents/corporate/online-delivery-rights-report-final-230315--2-.pdf

⁷ BEIS Public Attitudes Tracker August 2018

⁸ <https://www.nchannel.com/blog/ebay-vs-amazon-selling-comparison/#infographic>

The main issues consumers reported were:

- Being sold faulty goods or good that became defective shortly after sale (27%)
- Substandard service from the seller (9%)
- Failure or delay in the delivery of goods being sent by seller (8%)

How do consumers pay when using online marketplaces?

Scottish consumers most often use cash (20%) to pay for consumer to consumer transactions when buying goods, followed by debit card (20%) and then PayPal (16%).

We know that consumers lose financial protection when they don't use a credit card or an authorised transaction site such as PayPal.

Issues with the most reported types of goods:

Used cars:

- 58% of consumers who complained about a used car said that once purchased, the car was faulty and 10% said the used car had a safety fault issue.
- 51% of consumers paid for their used car by cash and 27% by bank transfer.

Mobile phones:

- 58% of consumers who complained about a mobile phone said that once purchased, the mobile didn't work/was faulty.
- 7% of consumers had bought a counterfeit mobile phone.
- 36% of consumers paid for their mobile phone by PayPal and 20% by debit card.

Parcel surcharging

Consumers in Scotland often face extra delivery charges based on their address. CAS research demonstrates that consumers in parts of Scotland are asked to pay up to 30% more on average than consumers elsewhere in Great Britain⁹. In addition, when using online marketplaces such as eBay and Gumtree, sellers can also set unclear or misleading delivery charges too.

We will be supporting Fair Delivery Day, co-ordinated by Scottish Government, to raise awareness of delivery issues consumers have when using online marketplaces.

⁹ <https://www.cas.org.uk/system/files/publications/thepostcodepenalty-deliveringsolutions.pdf>

Campaign aims

- Raise awareness and understanding amongst consumers about their rights when buying goods on online marketplaces.
- Raise awareness of routes to redress amongst consumers in cases where something has gone wrong.
- Raise awareness and understanding amongst private sellers of their responsibilities when selling goods on online marketplaces.
- Effective planning and working across the CPP partners engaged in the campaign.
- Effective engagement of local organisations including the dissemination of outputs and face to face consumer engagement.

Scotland campaign focus

As demonstrated at both a UK-wide and Scottish level specifically, there are a wide range of problems seen in the online marketplaces sector across a variety of goods. There are also benefits for consumers when operating these types of platforms.

The National Consumer Week 2018 campaign in Scotland will be a general awareness raising campaign about consumer rights, broken down each of the campaign to address a specific topic. By doing this, we can cover a range of issues consumers face along with making consumers aware of their rights when using online marketplaces.

Working with a range of stakeholders such as the Scottish Government, Trading Standards Scotland, the Citizens Advice Bureaux Network, Consumer Council Northern Ireland, Competition and Markets Authority amongst others.