

# E-Commerce Trustmarks in Europe

- an overview and comparison of Trustmarks in  
the European Union, Iceland and Norway

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## Preface

Self-regulation in electronic commerce through the use of Trustmarks has been on the agenda since the late 90's. A number of Trustmarks have been established and Trustmarks and other labels are often seen on the website of businesses. The aim of the report is to provide an overview of Trustmarks in electronic commerce in the European Union, Iceland and Norway in order to inspire discussions on Trustmarks in Europe, including discussions on the possibilities in the establishment of EU-wide Trustmarks in electronic commerce. The report focuses on the substantive issues such as in particular the content of the codes of conduct linked to the various Trustmarks.

This report is made on behalf of European Consumer Centre Denmark ([www.consumereurope.dk](http://www.consumereurope.dk)). The report will be presented at the conference on 'E-Commerce Trustmarks in Europe' held in Copenhagen on 10 November 2006. The conference is organised by ECC Denmark. ECC Denmark is a member of the European Consumer Centres Network, which collaborates across borders to help consumers with problems regarding cross-border commerce in the EU. ECC Denmark is financed by the National Consumer Agency of Denmark and the EU Commission.

Information obtained after 16 October 2006 has only been included in the final report to a limited extent.

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# 1. Executive summary

- Trustmarks in electronic commerce have been identified in two thirds of all the examined countries. It seems there is a connection between the size of the country and the availability of Trustmarks. Relatively speaking, not many webtraders have been approved by Trustmarks.
- Generally, there is a high level of consumer protection afforded by common EU legislation. This concerns both the collective and individual consumer protection. However, there is still room for improvement when it comes to the consumer's access to justice (consumer redress), including in particular alternative dispute resolution.
- Among the examined Trustmarks, it seems there is a number of similarities between the codes of conduct linked to the Trustmarks. The majority of the examined codes of conduct are based on EU legislation, and many of them do not provide a level of consumer protection significantly above EU legislation. However, they do provide features of consumer protection that are not ensured through EU legislation.
- It is generally assumed that a Trustmark is to provide a higher level of consumer protection than provided by law. Legal review, monitoring, security etc. may also intrinsically enhance the consumer protection afforded. Such features are found in most of the examined Trustmarks.
- In the United Kingdom and Germany, Trustmark Accreditation Schemes have been adopted. The purpose of such schemes is to ensure that the code of conduct of accredited Trustmarks complies with certain minimum requirements. Inspiration for the improvement of consumer protection afforded through Trustmarks may be found in the Trustmark Accreditation Schemes.
- Improvement of consumer protection may in particular be made in connection with consumer redress by providing binding decisions in alternative dispute resolution or through the use of third-party guarantees. Improvement may also be made by adopting standards for the collective consumer protection, in particular relating to advertising and the protection of children.
- There are linguistic and cultural barriers to the establishment of one single Trustmark for Europe. The harmonisation of consumer protection minimises legal obstacles to providing one single code of conduct the Internal Market. Differences due to minimum harmonisation may be treated by choosing the most restrictive solutions (highest common denominator) or by differentiating the code of conduct.



## 2. Introduction and methodology

E-commerce is becoming a more popular means of purchasing products. In the last year, 27% of EU citizens have made at least one e-commerce purchase. However, Most Europeans feel less confident in purchasing from providers based in other European Union countries than their own. Around two-thirds of European citizens believe there are more risks or difficulties relating to: making complaints (71%), problems returning a product bought at distance within the cooling of period (65%), falling victims to fraud (68%), facing delivery problems (66%) and being less well protected (56%) if they buy goods and services from foreign EU sellers. Other factors include having information about the products on offer or consumer rights and obligations (67%), along with the ability and willingness to use a foreign language whilst making a purchase (62%). Relatively high numbers of consumers cite language, lack of information and poor knowledge of their rights as reasons which discourage them from making cross-border purchases in the EU.<sup>1</sup>

### 2.1. Purpose of the report

The purpose of this report is to provide an overview of e-commerce Trustmarks in the European Union, Iceland and Norway, and their content. Further, the report is to comprise a comparison of the different Trustmarks. The report focuses on general information about the Trustmarks, and both procedural and substantive aspects of the Trustmark, including consumer redress. The examination includes the following points of examination and comparison:

#### **General information**

- depiction of the logo,
- link to website,
- country of origin,
- year launched,
- countries of application,
- number of approved businesses, and
- the nature of the organisation behind the Trustmark.

#### **Procedural aspects**

- approval procedure to adhere to the Trustmark,
- costs involved, and
- control and enforcement of the Trustmark.

#### **Substantive aspects**

- connected dispute resolution mechanisms and possible obligation to accept certain decisions under alternative dispute resolution,
- possible “money-back” guarantees,
- comparison to the features in the Euro-label scheme,<sup>2</sup> and

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1 Consumer protection in the Internal Market, Eurobarometer, September 2006.  
[http://ec.europa.eu/public\\_opinion/archives/ebs/ebs252\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs252_en.pdf).

2 [www.euro-label.com](http://www.euro-label.com).

- other features that will become apparent as the research is carried out.

The findings of this report is supposed to serve as a basis for discussions on a conference on e-commerce Trustmarks in Copenhagen on 10 November 2006. In particular, it should provide inspiration for discussions about the possibilities in the establishment of EU-wide Trustmarks in electronic commerce. This report is structured into the following chapters:

1. **Executive summary.**
2. **Introduction and methodology.** Introduction, delimitation and methodology.
3. **Legislation and requirements concerning Trustmarks.** A general introduction to Trustmarks in electronic commerce and requirements concerning Trustmarks. This chapter also introduces the most important legislation concerning consumer protection in the Internal Market.
4. **Trustmarks in the European Union, Iceland, and Norway.** A presentation of the Trustmarks identified through the research. This chapter also contains a comparison of particular features in different Trustmarks.
5. **Conclusions.**
6. **Appendix.**

## 2.2. Methodology

The report was elaborated within a relatively short time frame (approximately two months), which provides some challenges in connection with the gathering of information about existing Trustmarks and learning about their content. The primary challenge was the general language barrier in Europe. The report is mainly based on information gathered through a questionnaire.<sup>3</sup>

The gathering of information was carried out in two steps. First step focused on gathering knowledge of the existence of Trustmarks in the various states. Second step concerned substantive knowledge of the various Trustmarks identified under the first step. The information under both steps was gathered by approaching organisations and public authorities in combination with searches carried out on the Internet. Under the first step, and in order to obtain knowledge of national Trustmarks, approaches were made to:

1. members of the European Consumer Centres Network (ECC-Net),<sup>4</sup>
2. members of the International Consumer Protection and Enforcement Network (ICPEN),<sup>5</sup>
3. organisations authorised under article 4(3) of the 1998 Injunction Directive,<sup>6</sup> and
4. organisations appointed in accordance with article 19(4) of the 2000 E-

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3 See appendix 6.4.

4 [http://ec.europa.eu/consumers/redress/ecc\\_network/index\\_en.htm](http://ec.europa.eu/consumers/redress/ecc_network/index_en.htm).

5 [www.icpen.org](http://www.icpen.org).

6 Directive 98/27/EC of the European Parliament and of the Council of 19 May 1998 on injunctions for the protection of consumers' interests. See also Commission communication concerning Article 4(3) of Directive 98/27/EC of the European Parliament and of the Council on injunctions for the protection of consumers' interests, concerning the entities qualified to bring an action under Article 2 of this Directive (Text with EEA relevance).

Commerce Directive.<sup>7</sup>

Under the second step, the website of the Trustmarks was examined and approaches made to the organisations behind the Trustmark. The information gathered under the second step is compared and presented in schematic form to provide an overview. The Euro-Label code of conduct (the European Code of Conduct) has to some extent been used to structure the comparison and presentation. This is due to the fact that the Euro-Label seem to be the most significant initiative to provide one common Trustmark in electronic commerce in EU. In that context, the different Trustmark organisations have been asked whether they have considered to become part of Euro-Label.

### 2.3. Delimitation

The report deals with Trustmarks which have their origin in Iceland, Norway, or the member states of the European Union. It only deals with Trustmarks which are particularly targeted at electronic commerce in order to be displayed electronically on a website. The purpose of the Trustmarks must be to provide a level of consumer protection which concerns either the individual rights of a consumer (contractual regulation) or the collective protection of the consumer (advertising regulation). The examination does not include Trustmarks which relates to the content or description of products such as the labelling of foodstuff.

The examination is focused on Trustmarks aimed generally at consumer protection in the context of electronic commerce, i.e. covering various issues in connection with collective and individual consumer protection, and not Trustmarks that are particularly aimed at single issues as for example data protection, security and accessibility. To the extent knowledge about such Trustmarks was gathered, the information was included in the general overview, but it is not subjected to further examination or comparison. It was the aim to provide a representative overview of Trustmarks in the European Union, Iceland and Norway. However, due to in particular time and linguistic constrains, the overview may not be exhaustive.

The working language of the report is English and to some extent “Scandinavian”. Only information obtained in those languages was included in the report. Further, the examined Trustmarks are mainly those, who responded to the questionnaire. The questionnaire was kept relatively simple in order to get as much response as possible. This provides a broader overview (more countries and Trustmarks), but at the expense of depth (details or quality of information). This balance is justified by the aim of the research, which is to provide background material for inspiration and discussions.

The information was mainly based on the answers to a questionnaire, which entails certain limitation as to the reliability. For the purpose of providing an overview with a view to provide inspiration for further discussions, this approach provides appropriately correct information. In order to improve the reliability of the gathered information, the respondents are invited to verify information about their Trustmarks. It was not possible to carry out translations within the available time frame.

The examination of the Trustmark concerns both procedure and substantive requirements for being approved under the Trustmark and the substantive requirements,

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<sup>7</sup> Directive 2000/31/EC of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce).

which must be complied with under the Trustmark scheme. The report does in particular not deal with questions relating to the establishment, feasibility, effectiveness and awareness of Trustmarks.

### 3. Legislation and requirements concerning Trustmarks

Trustmarks in the context of electronic commerce have been discussed for many years, as a measure of assuring trust.<sup>8</sup> There are many other ways to ensure or enhance consumer confidence in electronic commerce.<sup>9</sup> Trustmarks play a part in a more general discussion on self-regulation.<sup>10</sup> Self-regulation is a matter of lifting a regulatory burden and enforcement obligation from the government to the industry itself. In principle, the industry gets to make its own rules, provided it is effective in terms of satisfying the governmental wishes. The advantages of self-regulation can be that it is more flexible and less bureaucratic, but self-regulation is not necessarily without disadvantages.<sup>11</sup>

#### 3.1. Terminology and characteristics of Trustmarks

One of the defining characters of the Trustmarks (also known as web seals and hallmarks)<sup>12</sup> dealt with in this report is, that it is intended to be displayed on a website as an electronic label. Usually, the purpose is to signal adherence to a set of rules (a code of conduct) in order to inspire confidence to the user of the website. In the context of this report, the user is a consumer (B2C commerce). The focus in this report is on Trustmarks which concern consumer protection in terms of collective consumer protection (rules on information and advertising) and individual consumer protection (the consumers rights in connection with trade, including access to redress).

The business that carries the Trustmark is denoted the 'approved business', as it has been approved by a Trustmark organisation (certification authority). However, some Trustmarks have character as self-declaration Trustmarks, which means that no review or approval has taken place.<sup>13</sup> Usually, the Trustmark organisation is carrying out a review of the applying business's website. In case disputes arises between the approved business and the Trustmark organisation concerning the interpretation of the code of conduct, a certification committee or advisory council (or board) may decide on the matter, provided such board is connected to the Trustmark.

Some Trustmarks have features relating to consumer redress, i.e. to resolve disputes between the approved business and the consumer. Such features varies from assistance in filing the case with a consumer redress mechanism to providing a complete alternative dispute resolution system. The redress mechanism may also have character as a third-party guarantee, where the consumer may seek redress.

In most situations, the consumer can obtain information about the code of conduct linked to the Trustmark by clicking on the mark displayed on the website. In some instances, the consumer may obtain particular information about the certificate of

8 See also Fredrik Nordquist, Fredrik Andersson & Eva Dzepina, *Trusting the Trustmark?*, Free University, Amsterdam, 2002.

9 See in general *Web Seals of Approval – Final Report*, Consumer Affairs, Victoria, Australia, January 2005.

10 See also [www.selfregulation.info](http://www.selfregulation.info).

11 See Ton Wagemans, *An introduction to the labelling of websites*, DG Information Society conference 'Quality labels for websites alternative approaches to content rating', Luxembourg, 27 February 2003.

12 See also *Consumer Protection and Redress in e-Payments: Issues, Policies and Technologies*, Pravir Chawdhry and Marc Wilikens, IPSC, Joint Research Centre, [www.jrc.es/home/report/english/articles/vol63/ICT5E636.htm](http://www.jrc.es/home/report/english/articles/vol63/ICT5E636.htm).

13 See for example eQ Recommendation, appendix 6.1.7.

approval for the particular business combined with contact details etc. for that business. There are certain possibilities in specifying the Trustmark in a machine-readable way, by coding meta-data into the website.<sup>14</sup> By doing so, it is possible to carry out expanded search, i.e. searches where for example the Trustmarks is showed on the list of search-results.

Usually, the Trustmark organisation provides on its website a list of approved businesses and/or websites. In that sense, the Trustmark's website may serve as a shopping portal as well, where consumers may find businesses approved under a particular code of conduct.

This report only deals with Trustmarks related to electronic trade, but there are numerous other labels that a business may put on its website. Such labels may be related to businesses processes (e.g. ISO certification), security and encryption (e.g. VeriSign Trusted Commerce), payment (e.g. VISA and MasterCard), privacy, logistics (e.g. postal or parcel service partners), website content (e.g. Internet Content Rating Association), and social awareness (support of particular initiatives).

## **3.2. Trustmark Accreditation Schemes**

Trustmarks set up requirements that must be met by approved businesses. But Trustmarks as such may also be approved or accredited through Trustmark Accreditation Schemes. Such accreditation schemes concern whether the Trustmark as such meet certain requirements. Below is a presentation of some initiatives concerning qualities of and requirements to Trustmarks. The Trustmark Accreditation Schemes may serve as inspiration for features and requirements to be implemented in Trustmarks.

### **3.2.1. The European Trustmark Requirements**

The European Trustmark Requirements (ETR) was developed by BEUC<sup>15</sup> and UNICE<sup>16</sup> with the aim to provide a high standard of consumer protection in electronic commerce and to encourage the sale of goods and services on the Internet. The ETR offers a basis for good online practice, and do not seek to override or replace any mandatory provisions at European level. Trustmark schemes are encouraged to meet or exceed the ETR. These requirements are aimed at general Trustmarks for e-commerce directed towards consumers (B2C).<sup>17</sup> The European Trustmark Requirements deals with the following topics:

1. High standard, measurability and purpose of Trustmark schemes
2. Transparency of Trustmark schemes for consumers and business
3. Accessibility and visibility of Trustmark schemes for consumers and business
4. Scope and content of Trustmark schemes
5. Operation of Trustmark schemes
6. Assessment of applicants for Trustmark schemes
7. Monitoring system
8. Enforcement system

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14 See for example [www.quatro-project.org](http://www.quatro-project.org) and the Segala Trustmark, appendix 6.1.9.

15 [www.beuc.org](http://www.beuc.org).

16 [www.unice.org](http://www.unice.org).

17 UNICE – BEUC, e-Confidence project, BEUC/X/179/2000, 22 October 2001, [www.beuc.org](http://www.beuc.org).

## 9. Technical security

The initial idea behind the ETR was that any Trustmark could have its organisation and code certified as conforming with the ETR, and obtain an EU “logo”. Despite initial hopes for a speedy implementation, it became clear, after the ETR had been presented to the European Commission, at the end of 2001, that the momentum behind the initiative had faded.<sup>18</sup> A major weakness of the ETR is that it provides no business plan explaining how the mechanism proposed in the ETR is to be financed and maintained over time.<sup>19</sup>

### 3.2.2. Consumer Codes Approval Scheme

The Office of Fair Trading's (OFT) Consumer Codes Approval Scheme (CCAS)<sup>20</sup> is an UK example of a Trustmark accreditation scheme. It concerns approving and promoting business-to-consumer codes of practice in consultation with business and other stakeholders. A consumer code of practice is defined as a set of rules that a group of businesses agree to follow in order to set higher standards of customer service.<sup>21</sup> The OFT Approved code logo is a benchmark for service quality and inspires customer confidence. The aim of the Consumer Codes Approval Scheme is to promote and safeguard consumers' interests by helping consumers identify better businesses and to encourage businesses to raise their standards of customer service.

The scheme consists of two co-dependent stages. Code sponsors complete Stage One by making a promise that their code meets the core criteria in principle. They can then move on to Stage Two where they have to demonstrate, with evidence, that their codes deliver on that initial promise. OFT endorsement and promotion to the consumer kicks in once the burden of proof has been met by the code sponsor.<sup>22</sup>



Codes are only approved if they will be effective in protecting and promoting consumer interests. The CCAS does not relieve businesses of their legal obligations, and a code should not be limited to ensuring adherence to the law. Code sponsors are to develop codes that offer consumers benefits beyond the protection afforded by law. Responsibility for drafting codes rests with code sponsors who have the necessary expertise in their sectors. The core criteria set out what is expected to be in codes submitted for approval. However, all elements of the core criteria may not be relevant to

18 Consumer Confidence in E-Commerce: lessons learned from the e-confidence initiative, Commission staff working document, 8 November 2004, p. 7f.

19 Consumer Confidence in E-Commerce: lessons learned from the e-confidence initiative, Commission staff working document, 8 November 2004, p. 8f.

20 [www.offt.gov.uk/Codes](http://www.offt.gov.uk/Codes).

21 In most cases signing up to a code is voluntary. There is no legal requirement for an industry sector to operate a code or for a business to join up - unlike the codes of conduct some professions must follow.

22 [www.offt.gov.uk/Codes](http://www.offt.gov.uk/Codes).

all sectors.<sup>23</sup>

Below is an overview of the core criteria for OFT's Consumer Codes Approval Scheme. The list may serve as inspiration for features and requirements that may be considered in connection with the evaluation of Trustmarks:

*Core Criteria for OFT's Consumer Codes Approval Scheme:*

**1. Organisation**

- *Code sponsors should have a significant influence on the sector.*
- *Compliance with the code shall be mandatory on code members.*
- *Code sponsors shall have independent disciplinary procedures available to deal effectively with cases of non-compliance.*
- *Code sponsors shall have adequate resources and be funded in such a way that the objectives of the code are not compromised.*
- *Code sponsors shall be able to demonstrate that members are prepared to observe its provisions.*

**2. Preparation**

- *Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.*
- *Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services are being adequately consulted throughout the operation and monitoring of the code.*

**3. Content**

- *The code shall include measures directed at the removal or easing of consumer concerns and undesirable trade practices arising within the particular sector.*
- *The code shall require that code members ensure that their relevant staff know about and meet the terms of the code as well as their legal responsibilities. Appropriate training is to be provided.*
- *The code shall address clear and truthful marketing and advertising as appropriate to the sector.*
- *The code shall address clear and accessible pre-contractual information as appropriate to the sector.*
- *The code shall address high-pressure selling as appropriate to the sector.*
- *The code shall address clear terms and conditions of supply and fair contracts as appropriate to the sector.*
- *The code shall address delivery and completion dates as appropriate to the sector.*
- *The code shall address cancellation rights as appropriate to the sector.*
- *The code shall address guarantees and warranties as appropriate to the sector.*
- *The code shall address protection of deposit or prepayments as appropriate to the sector.*
- *The code shall address after-sales service provisions as appropriate to the sector.*
- *The code shall address the additional effort/help to be provided to vulnerable consumers as appropriate to the sector.*

**4. Complaints**

- *The code shall include a requirement that code members shall have in place speedy, responsive, accessible and user friendly procedures for dealing with consumer complaints. A specific reasonable time limit for responding to complaints shall be prescribed.*

- *The code shall include a requirement that code members shall offer maximum co-operation with local consumer advisers or any other intermediary consulted by a consumer when making a complaint.*
- *The code shall include procedures for dealing with complaints including the availability of conciliation services directed at arranging a decision acceptable to both parties.*
- *The code shall include the availability of a low-cost, speedy, responsive, accessible and user-friendly independent redress scheme to act as an alternative to seeking court action in the first instance. The scheme shall be binding in respect of code members who shall not be able to refuse to allow a complaint to go before the scheme if a customer so chooses. The code member shall be bound to accept a judgement made under the scheme. Any such scheme shall be able to take into account possible breaches of the code where relevant to the complaint.*

#### **5. Monitoring**

- *The code sponsor shall develop performance indicators, e.g. mystery shopping exercises and independent compliance audits, to measure the effectiveness of the code.*
- *The code sponsor shall implement and publish the results of the performance indicators to demonstrate the effectiveness of the code.*
- *The code sponsor shall publish a report annually on the operation of the code including in particular the numbers and type of complaints referred for conciliation and to the independent redress system. It would be preferable if the report were compiled by an independent person or body with powers to recommend actions*
- *The code sponsor shall provide copies of the annual reports to the OFT.*
- *The code sponsor shall regularly review the code and update its provisions in the light of changing circumstances and expectations*
- *Consumer satisfaction shall be regularly assessed.*

#### **6. Enforcement**

- *The code sponsor shall establish a procedure for handling non-compliance by members with the code. The procedure shall include reasonable time limits.*
- *The code sponsor shall also set out a range of sanctions, e.g. warning letters, fines, termination of membership, for dealing with non-compliance.*

#### **7. Publicity**

- *Code sponsors and members shall ensure that their customers are aware of the code.*
- *Code members are to make clear, e.g. in advertising, point of sale, their adherence to a code of practice.*
- *Copies of codes shall be available without charge to customers, to members, to local consumer advisers and to others with a legitimate interest.*
- *Copies of any code related publicity generated by the code sponsor shall be provided to the OFT.*
- *Code sponsors and members shall publicise the fact that the OFT has approved the code by using the agreed OFT logo.*

### **3.2.3. TrustMark**

Another example of a Trustmark Accreditation Scheme in UK, is the TrustMark Approved<sup>24</sup> which is a scheme supported by Government, the building industry and consumer groups to help customers find reliable and trustworthy tradespeople to make improvements and repairs to their home. The TrustMark signifies that the business has

adequate insurance, good health and safety procedures - and proper dealings with customers. All TrustMark-registered firms are checked and monitored by the approved scheme operators, and must comply with their codes of conduct and complaints procedures.

The objective of TrustMark is to improve standards and the quality of customer service in the domestic repair, maintenance and improvement industry by:<sup>25</sup>

- Setting a minimum standard for reputable membership schemes in the industry
- Establishing a widely recognised ‘Mark’, endorsed by government and consumer organisations, to identify schemes and their members that have met this standard
- Operating a framework within which schemes are approved to carry the TrustMark mark and its standards maintained
- Creating, through the TrustMark governance structures, a mechanism through which the stakeholders involved can work to broaden the trade and consumer take-up of TrustMark, promote improved RMI industry standards, and tackle related issues such as better enforcement



The TrustMark brand is registered with the UK Patent Office as a Certification Mark by the UK Department of Trade and Industry. Use of the mark is governed by a chain of licences from DTI to TrustMark Ltd, which is required to operate the system within a particular framework. TrustMark Ltd may approve the Trustmark scheme of any suitable industry organisation (trade associations, certification and inspection bodies, commercial firms). Approved scheme operators and their members become entitled to use the mark indicating they are a part of the TrustMark System. Approved scheme operators also take part in the TrustMark governance arrangements and funding of the central TrustMark structure.<sup>26</sup>

### **3.2.4. TrustUK**

TrustUK<sup>27</sup> is a non-profit organisation run by industry, which is based on a joint venture between the Alliance for Electronic Business and the Consumers' Association. The Board of Directors is made up of consumer representatives and the heads of some of the industry's biggest trade associations and organizations committed to ensuring the UK delivers the highest commercial standards of e-commerce.



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25 TrustMark Principles of Operation, Version 2.0, June 2005, [www.trustmark.org.uk](http://www.trustmark.org.uk).

26 TrustMark Principles of Operation, Version 2.0, June 2005, [www.trustmark.org.uk](http://www.trustmark.org.uk).

27 [www.trustuk.org.uk](http://www.trustuk.org.uk).

The role of TrustUK is to remove this potential confusion. It brings together the various Trustmark schemes, and makes sure they reach an agreed minimum standard. Businesses displaying the TrustUK mark comply with a code of practice approved by TrustUK. Currently, four major codes have been accredited. The code owners are the Association of British Travel Agents, Direct Marketing Association (DMA), and WebTraderUK.

Accredited websites will display either the TrustUK Hallmark or that logo in combination with the logo of the code owner they subscribe to. A separate, independent Approvals Committee decides whether a code of practice meets the minimum standards set in TrustUK's Accreditation Criteria. The Approvals Committee will also consider any appeals from consumers who feel a code owner has not handled their complaint in the proper, approved procedure. The Core Principles for On-line Codes of Practice<sup>28</sup> deals with:

1. general issues,
2. on-line advertising,
3. transactional information,
4. contracts,
5. fulfilment,
6. privacy,
7. unsolicited commercial e-mail,
8. security, and
9. children.

The accredited code must also comply with Core Principles for Redress Mechanisms, Monitoring and Enforcement. Code owners must establish an alternative dispute resolution mechanism and make it available to subscribers and consumers. Such redress Mechanisms should be binding on subscribers (the approved business). Where a complainant remains dissatisfied with the outcome of the alternative dispute resolution mechanism, on grounds of procedural impropriety only, the Code owner must refer the case to TrustUK.<sup>29</sup>

### **3.2.5. Initiative D21**

In Germany there are a lot of different providers of Trustmarks in electronic commerce. In order to help the consumers to distinguish between “good” and “bad” Trustmarks, the initiative D21 was founded (a public private partnership). The initiative D21<sup>30</sup> has set up guidelines for trustworthy Trustmarks under the German Online-Gütesiegel scheme. Five Trustmarks have been accredited under these guidelines.<sup>31</sup> The Initiative D21 was launched in 1999, and is Germany’s largest public private partnership with more than 200 representatives of enterprises, associations, parties, political institutions and other organizations. The goal, which is pursued in some 40 practical projects, is to improve

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28 [www.trustuk.org.uk/download/ApprovalsCriteria.pdf](http://www.trustuk.org.uk/download/ApprovalsCriteria.pdf)

29 Core Principles for Redress Mechanisms, Monitoring and Enforcement, [www.trustuk.org.uk/download/ApprovalsCriteria.pdf](http://www.trustuk.org.uk/download/ApprovalsCriteria.pdf).

30 [www.initiatived21.de](http://www.initiatived21.de).

31 [www.internet-guetesiegel.de](http://www.internet-guetesiegel.de).

and promote the use of information and communications technologies.<sup>32</sup>

### **3.2.6. Euro-Label**

Euro-Label<sup>33</sup> is an European electronic Trustmark for consumers and retailers, which primary objective is to foster the growth of national and cross-border e-transactions within Europe, by ensuring that there is a common basis for on-line trading that is trustworthy and fair. Euro-Label has been set up with financial support from the European Commission. Professional organisations from Austria, France, Germany, Italy, Malta, Spain and Poland currently participate in the Euro-Label organisation, as well as EuroCommerce.<sup>34</sup>

In order to be awarded the Euro-Label Trustmark, the trader must implement the European Code of Conduct for retail transactions. the Euro-Label organisation is responsible for seeing that the trader adheres to this Code of Conduct. The European Code of Conduct is drafted in accordance with European legislation, and it draws in particular on the EU Directives on Electronic Commerce, Distance Selling, Data Protection and on guarantees

A mechanism ensures that the logo a trader displays on his website is authentic. Euro-Label seek to ensure that 1) the company selling the product is reliable, 2) the selling conditions are clear and available on the website, 3) the trader respects laws on data protection, 4) the products will be delivered as specified when the consumer placed the order, and 5) a dispute resolution procedure is in place if anything goes wrong during the transaction.



The Euro-Label Trustmark may be perceived as a Trustmark itself, and as an “umbrella Trustmark”, as there are different labels in different countries, however, all labels share common features through the European Code of Conduct. Each country is to ensure that approved businesses adhere to the code of conduct, but it is not excluded that each country may add additional requirements to the Trustmark. The Euro-Label Trustmark is available in seven European countries, i.e Austria, France, Germany, Italy, Malta, Spain, and Poland. The aim of Euro-Label is to have the scheme implemented in all 25 EU Member States.

## **3.3. Consumer protection in the European Union**

At Community level, there is a substantial regulation of consumer protection in the context of electronic advertising, trade and protection of privacy. The primary directives are:

- **The 2005 Directive on Unfair Commercial Practices.**<sup>35</sup> The purpose of this

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32 [www.initiatived21.de](http://www.initiatived21.de).

33 [www.euro-label.com](http://www.euro-label.com). See also appendix 6.1.1.

34 The European association representing retail, wholesale and international trade.

35 Directive 2005/29 (11 May 2005) concerning unfair business-to-consumer commercial practices in the internal market and

Directive is to contribute to the proper functioning of the internal market and achieve a high level of consumer protection by approximating the laws, regulations and administrative provisions of the Member States on unfair commercial practices harming consumers' economic interests.

- **The 2000 E-Commerce Directive.**<sup>36</sup> This Directive seeks to contribute to the proper functioning of the internal market by ensuring the free movement of information society services between the Member States. It approximates, to the extent necessary for the achievement of this objective, certain national provisions on information society services relating to the internal market, the establishment of service providers, commercial communications, electronic contracts, the liability of intermediaries, codes of conduct, out-of-court dispute settlements, court actions and cooperation between Member States.
- **The 1999 Consumer Sales Directive.**<sup>37</sup> The purpose of this Directive is the approximation of the laws, regulations and administrative provisions of the Member States on certain aspects of the sale of consumer goods and associated guarantees in order to ensure a uniform minimum level of consumer protection in the context of the internal market.
- **The 1997 Distance Selling Directive.**<sup>38</sup> The objective of this Directive is to approximate the laws, regulations and administrative provisions of the Member States concerning distance contracts between consumers and suppliers.
- **The 1995 Data Protection Directive.**<sup>39</sup> In accordance with this Directive, Member States shall protect the fundamental rights and freedoms of natural persons, and in particular their right to privacy with respect to the processing of personal data. Member States shall neither restrict nor prohibit the free flow of personal data between Member States for reasons connected with the protection these fundamental rights and freedoms.
- **The 1993 Directive on Unfair Contract Terms.**<sup>40</sup> The purpose of this Directive is to approximate the laws, regulations and administrative provisions of the Member States relating to unfair terms in contracts concluded between a seller or supplier and a consumer.

In addition to community legislation, a number self-regulation guidelines also covers electronic commerce. Some of those are listed below:

- **The Consolidated ICC Code of Advertising and Marketing Communication Practice.**<sup>41</sup> Contains inter alia general provisions on advertising and marketing communication practice, and particular guidelines for advertising and Marketing in Electronic Media (Chapter D).

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amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council.

36 Directive 2000/31 (8 June 2000) on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce).

37 Directive 99/44 (25 May 1999) on certain aspects of the sale of consumer goods and associated guarantees.

38 Directive 97/7 (20 May 1997) on the protection of consumers in respect of distance contracts.

39 Directive 95/46 (24 October 1995) on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

40 Directive 93/13 (5 April 1993) on unfair terms in consumer contracts.

41 International Chamber of Commerce (ICC), published August 2006, Document No. 240-46/330, [www.iccwbo.org](http://www.iccwbo.org).

- **OECD Guidelines for Consumer Protection in the Context of Electronic Commerce (1999).**<sup>42</sup> Their aim is to encourage: 1) fair business, advertising and marketing practices, 2) clear information about an online business's identity, the goods or services it offers and the terms and conditions of any transaction, 3) a transparent process for the confirmation of transactions, 4) secure payment mechanisms, 5) fair, timely and affordable dispute resolution and redress, 6) privacy protection, 7) and consumer and business education. The guidelines reflect existing legal protection available to consumers in more traditional forms of commerce; encourage private sector initiatives that include participation by consumer representatives; and emphasise the need for co-operation among governments, businesses and consumers.
- **FEDMA Code on E-Commerce & Interactive Marketing (2000).**<sup>43</sup> The code constitutes a standard of ethical business conduct to be followed by online marketers selling goods or services or providing commercial information as part of, or follow-up to a sale. The code's recommendations are based on FEDMA's interpretation and analysis of relevant international codes of practice and guidelines, legislative requirements, and best practice in the field at national and regional levels.

At a global level, an organisation, the Global Trustmark Alliance (GTA),<sup>44</sup> has been established to encourage cross border e-commerce by fostering consumer trust, encouraging good online business practices, and discouraging the development of burdensome disparate governmental regulation. Members are local Trustmark organizations worldwide and other organizations supporting the development of online Trustmarks. Once fully operational, participating businesses in these member Trustmark organizations will agree to abide by an international code of conduct for cross-border transactions, to participate in out-of-court dispute resolution procedures based on code standards, and to display an international seal on their website signalling their participation in the GTA.<sup>45</sup> The Organizing Committee for GTA was launched at the GBDe summit in Kuala Lumpur in November, 2004.<sup>46</sup>

### **3.3.1. The use of Trustmarks**

Article 16 of the 2000 E-Commerce Directive provides that EU member states and the Commission encourage the drawing up of codes of conduct at Community level, by trade, professional and consumer associations or organisations, designed to contribute to the proper implementation of the substantive articles of the directive. This is in line with Part Three of the OECD Guidelines for Consumer Protection in the Context of Electronic Commerce (1999), which also seeks implementation of the principles by means of self-regulation.

A Trustmark may by consumers be perceived as a guarantee, and the usage is to be considered in the light of the regulation on commercial communication. According to article 5 of the ICC Code of Advertising and Marketing Communication Practice,

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42 [www.oecd.org](http://www.oecd.org).

43 Federation of European Direct Marketing, [www.fedma.org](http://www.fedma.org).

44 [www.globaltrustmarkalliance.org](http://www.globaltrustmarkalliance.org).

45 Source: [www.globaltrustmarkalliance.org](http://www.globaltrustmarkalliance.org).

46 GBDe 2005 Recommendations – Final Version, [www.gbde.org](http://www.gbde.org).

marketing communication should not contain any statement, or audio or visual treatment which, directly or by implication, omission, ambiguity or exaggeration, is likely to mislead the consumer, in particular, but not exclusively, with regard to inter alia terms of guarantee and official recognition or approval, awards such as medals, prizes and diplomas. Further, article 7 provides that a marketing communication should not state or imply that a “guarantee”, “warranty” or other expression having substantially the same meaning, offers the consumer rights additional to those provided by law when it does not.

The 1999 Consumer Sales Directive contains provisions on guarantees, however only those associated with the sale of consumer goods.<sup>47</sup> These provisions does not apply to the use of Trustmarks as dealt with in this report. However, under national law, and possible under the 2005 Directive on Unfair Commercial Practices, it may be considered an unfair commercial practice to use a Trustmarks which does not contain provisions that set a higher standard of consumer protection than the protection offered by legislation. Annex I of the directive comprises a list of commercial practices that under all circumstances are considered unfair, including the following misleading commercial practices:

1. Claiming to be a signatory to a code of conduct when the trader is not.
2. Displaying a trust mark, quality mark or equivalent without having obtained the necessary authorisation.
3. Claiming that a code of conduct has an endorsement from a public or other body which it does not have.
4. Claiming that a trader (including his commercial practices) or a product has been approved, endorsed or authorised by a public or private body when he/it has not or making such a claim without complying with the terms of the approval, endorsement or authorisation.

It cannot be excluded that it will be a requirement under either national or Community law that it will be considered an unfair commercial practice to advertise and use a Trustmark with a level of consumer protection which is only on par with legislative requirements. However, it should be considered that for example certification, monitoring, enforcement etc. by a third party intrinsically entails benefits for the consumer. Self-declaration systems may, however, be more problematic in this context. Trustmarks that provide a level of consumer protection which is sub-par to legislative requirements may as a starting point be considered misleading.

### **3.3.2. International issues**

The idea of EU-wide Trustmarks may be met with obstacles of a linguistic and cultural nature, but the scope of this report is limited to possible legal obstacles. In the Internal Market, the 2000 E-Commerce Directive provides a country of origin principle for 'information society services', such as commercial activities on a website.<sup>48</sup> This entails that a business's websites (within the Internal Market) only is to comply with the law of the country of establishment, and that further requirements from other states are not

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47 See article 1(2)(e).

48 See articles 3(1) and 3(2).

allowed.

This allows, in principle, for a national Trustmark to be used, by businesses in that state, even though the activities of the businesses are targeted at other states in the Internal Market. However, the Annex of the directive provides that the country of origin principle does not apply *inter alia* to contractual obligations concerning consumer contacts. This means that the business will have to consider the individual consumer protection of the country in which the consumer is situated.<sup>49</sup>

With in particular the 2005 Directive on Unfair Commercial Practices (in force from 12 December 2007), the collective consumer protection has to a large extent been harmonised, whereas there still are certain differences in the individual consumer protection. Despite the 1997 Distance Selling Directive and the 1999 Consumer Sales Directive, differences persist due to the use of minimum harmonisation. These differences in the individual consumer protection may be obstacles to the elaboration of a common code of conduct that can be applied unaltered in the entire Internal Market. The Euro-Label Trustmark<sup>50</sup> has with its 'European Code of Conduct' made a common code based mainly on Community legislation.

### **3.3.3. Consumer redress**

In recent years there has been an increasing use of information communications technology in alternative dispute resolution processes. In particular, the growth of the Internet during the 1990s provoked great interest in online ADR.<sup>51</sup> A number of initiatives have been taken.<sup>52</sup>

The Commission has also been active in promoting the development of Alternative Dispute Resolution. Two Recommendations adopted by the European Commission have established quality criteria that each ADR scheme should offer to its users.<sup>53</sup> It is provided in article 17 of the 2000 E-Commerce Directive that EU member states are to ensure that their legislation does not hamper the use of out-of-court schemes, available under national law. Member states should encourage bodies responsible for the out-of-court settlement of, in particular, consumer disputes to operate in a way which provides adequate procedural guarantees for the parties concerned.

The European Consumer Centres Network (ECC-Net) is an EU-wide network to promote consumer confidence by advising citizens on their rights as consumers and providing easy access to redress, particularly in cases where the consumer has purchased something in another country to his/her own (cross-border).<sup>54</sup> However, there are currently no requirement in EU member states to provide alternative dispute resolution.

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49 See also Trzaskowski, Jan, *Legal Risk Management in Electronic Commerce - Managing the risk of cross-border law enforcement*, Ex Tuto Publishing 2005, [www.legalriskmanagement.net/book/4.html](http://www.legalriskmanagement.net/book/4.html).

50 [www.euro-label.com](http://www.euro-label.com).

51 *Consumer Dispute Resolution and Redress in the Global Marketplace*, OECD's Committee on Consumer Policy, 11 April 2006, p. 17. See also in general Graf-Peter, Calliess, *Online Dispute Resolution: Consumer Redress in a Global Market Place*, *German Law Journal*, Vol. 07 No. 08, p. 647 and Föhlisch, Carsten, *Trustmark, Responsibility and Alternative Dispute Resolution*, [www.foehlich.de/docs/ADR\\_Essay.pdf](http://www.foehlich.de/docs/ADR_Essay.pdf).

52 See for example *Alternative Dispute Resolution Guidelines*, Agreement reached between Consumers International and the Global Business Dialogue on Electronic Commerce. [www.gbde.org/agreements/adragreement03.pdf](http://www.gbde.org/agreements/adragreement03.pdf).

53 Commission Recommendation of 4 April 2001 on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes, 2001/310/EC and Commission Recommendation of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes, 98/257/EC.

54 [http://ec.europa.eu/consumers/redress/ecc\\_network/index\\_en.htm](http://ec.europa.eu/consumers/redress/ecc_network/index_en.htm).

*The European Consumer Centres: 1) inform consumers about the opportunities offered by the Internal Market, 2) advise individuals facing a consumer related problem and support them in pursuing cross-border complaints, 3) advise on out-of-court-settlement procedures for consumers throughout Europe, 4) provide consumers with easy and informed access to such procedures cross-border, 5) co-operate with each other and with other European networks such as the FIN-NET (Financial Network), SOLVIT and the European Judicial network in civil and commercial matters, 6) provide information on EU and national legislation and case law, 7) conduct cross border comparisons of such things as prices, legislation and other issues of consumer concern, and 8) provide the European Commission with important "grassroots" information on consumer concerns.<sup>55</sup>*



## 4. Trustmarks in the European Union, Iceland, and Norway

This chapter contains the analysis part of the report. The information gathered about Trustmarks in the European Union, Norway and Iceland through the questionnaire<sup>56</sup> is presented in a structured manner and analysed below. The presentation is divided into general information (4.2), procedural issues (4.3), and substantive issues (4.4).

### 4.1. An overview of Trustmarks in Europe

There are a large number of Trustmarks in the European Union, Iceland, and Norway. The table below provides an overview of the Trustmarks identified on the basis of information received from contacted organisations,<sup>57</sup> and through searches on the Internet. Trustmark organisations have been contacted in connection with this study, but not all organisations had the time, interest or capacity to participate in this study. All marks are supposed to be related to IT or electronic commerce, but the nature of all marks has not been clarified. Some of the marks are not Trustmarks directed at B2C electronic commerce as dealt with in this report.

	Trustmarks	Website	Logo / label
<b>Austria</b>	Guetezeichen	www.euro-label.com	
<b>Belgium</b>	Becommerce	www.becommerce.be	-
<b>Czech Republic</b>	Certified shops	apek.cz	 
	SOAP	www.spotrebitele.info/audit	
<b>Cyprus</b>	NONE		
<b>Denmark</b>	The E-Mark (e-mærket)	www.e-maerket.dk	

56 See appendix 6.4.

57 First step as presented in the methodology under 2.2.

	Trustmarks	Website	Logo / label
<b>Estonia</b>	NONE		
<b>Finland</b>	NONE		
<b>France</b>	Labelsite	www.labelsite.org	
	Fia-net	fia-net.com	
<b>Germany</b>	Trusted Shops	www.trustedshops.de	
	Internet Privacy Standards	www.datenschutz-nord.de	
	Safer Shopping	www.safer-shopping.de	
	EHI Euro-Label	www.euro-label.com	
	EHI bvh Label	www.shopinfo.net	
<b>Greece</b>	Epam	-	-
<b>Hungary</b>	eQ recommendation	www.ivsz.hu	
<b>Iceland</b>	NONE		
<b>Ireland</b>	EIQA W-Mark	www.eiqa.com	
	Segala Trustmark	www.segala.com	

	Trustmarks	Website	Logo / label
<b>Italy</b>	Euro-Label Italy	<a href="http://www.euro-label.org">www.euro-label.org</a>	
<b>Latvia</b>	NONE		
<b>Lithuania</b>	NONE		
<b>Luxembourg</b>	e-commerce certified	<a href="http://www.e-certification.lu">www.e-certification.lu</a>	
<b>Malta</b>	Euro-Label Malta	<a href="http://www.eurolabel.gov.mt">www.eurolabel.gov.mt</a>	
<b>The Netherlands</b>	Thuiswinkel Waarborg	<a href="http://www.thuiswinkelwaarborg.nl">www.thuiswinkelwaarborg.nl</a>	
<b>Norway</b>	Nsafe	<a href="http://www.nsafe.no">www.nsafe.no</a>	
	EBtrust	<a href="http://www.dnv.com/certification/managementsystems/ebusiness/ebtrust.asp">www.dnv.com/certification/managementsystems/ebusiness/ebtrust.asp</a>	
<b>Poland</b>	E-Commerce ILiM Certyfikat	<a href="http://www.euro-label.com">www.euro-label.com</a>	
	Trusted Store	<a href="http://www.sklepy24.pl">www.sklepy24.pl</a>	
<b>Portugal</b>	PACE	<a href="http://www.comercioelectronico.pt">www.comercioelectronico.pt</a>	
<b>Slovakia</b>	NONE		
<b>Slovenia</b>	NONE		

	Trustmarks	Website	Logo / label
<b>Spain</b>	Confianza Online	www.confianzaonline.org	
	AENOR	www.aenor-e.com	
	AGACE	www.agace.com	
	IQUA	www.iqua.net	
	EWEB	www.ayudaconsumidores.info	-
	Euro-Label Spain	-	
<b>Sweden</b>	NONE		
<b>United Kingdom</b>	TrustUK	www.trustuk.org.uk	
	WebtraderUK	www.webtraderuk.org.uk	
	TrustMark	www.trustmark.org.uk	
	SafeBuy	www.safebuy.org.uk	

Two thirds (18 out of 27) of the countries have some kind of Trustmark. It seems there is a connection between the size of the country and the availability of Trustmarks. Trustmarks seem to be less available in the 'younger' EU member states. Below is an overview of how many Trustmarks are found in the different countries.

none	one	two	several
Cyprus Estonia Finland Iceland Latvia Lithuania Slovakia Slovenia Sweden	Austria Belgium Denmark Greece Hungary Italy Luxembourg Malta The Netherlands Portugal	Czech Republic France Ireland Norway Poland	Germany Spain United Kingdom

The following Trustmarks have been subjected to further examination based on answers to the questionnaire or based on information on the Trustmarks' website:

- SOAP, Czech Republic
- The E-Mark, Denmark
- Trusted Shops, Germany
- Safer Shopping, Germany
- eQ recommendation, Hungary
- W-mark, Ireland
- Segala, Ireland
- Luxembourg e-Commerce Certified
- Euro-Label, Malta
- Thuiswinkel Waarborg, The Netherlands
- EBtrust, Norway
- E-Commerce ILiM Certyfikat, Poland
- PACE, Portugal
- Confianza Online, Spain
- WebTraderUK
- [Web Trader, several countries]<sup>58</sup>

In appendix 6.1, there is a presentation of the above-mentioned Trustmarks. Not all of the examined Trustmarks concern individual and collective consumer protection within the delimitation of this report. Thus the W-mark, Segala, and EBtrust have not been included in the examination of substantive issues, but has as for the purpose of comparison been included under the examination of general and procedural issues. The Web Trader scheme has been included for means of comparison even though the Trustmark has seized to exist due to lack of funding.

## 4.2. General information

Above under 4.1 is a complete list of Trustmarks with depiction of the logo, link to website, and information about country of origin. Below is a presentation of the various Trustmarks that have participated in this research. All Euro-Label Trustmarks are

58 It should be noted that has seized.

included as well based on information available at the Euro-Label website.

	<b>Year launched</b>	<b>Open to foreign businesses</b>	<b>Approved businesses</b>	<b>Type of organisation</b>	<b>Comment</b>
<b>Guetezeichen, Austria</b>	-	Yes	212 shops	-	part of Euro-Label
<b>SOAP, Czech Republic</b>	2006	Yes	25-50 businesses	consumer organisation	
<b>The E-Mark, Denmark</b>	-	Yes	371 shops and 158 under review	business and consumer organisation	
<b>Labelsite, France</b>	-	Yes	30 shops	-	part of Euro-Label
<b>Trusted Shops, Germany</b>	1999/2000	Yes	> 1,500 shops	Private (created in cooperation with consumer organisations)	
<b>Safer Shopping, Germany</b>	2001	Yes	80 businesses	Public and business organisation	
<b>EHI Euro-Label, Germany</b>	1999	Yes	184 shops	business organisation	part of Euro-Label
<b>eQ recommendation, Hungary</b>	2001	-	24 shops	business and consumer organisation	
<b>W-mark, Ireland</b>	2004	Yes	approximately 40 businesses	private (national quality association)	not included under 'substantive issues'
<b>Segala, Ireland</b>	2005	Yes	approximately 30 businesses	private	not included under 'substantive issues'
<b>Euro-Label Italy</b>	-	Yes	4 shops	-	part of Euro-Label
<b>Luxembourg e-Commerce Certified</b>	2002	Yes (never happened)	10 businesses	public and business organisation	
<b>Euro-Label Malta</b>	2006	Yes	15 shops under review	public and business organisation	part of Euro-Label
<b>Thuiswinkel Waarborg, The Netherlands</b>	2001	Yes	approximately 400 businesses	public and consumer organisation	
<b>EBtrust, Norway</b>	2002	Yes	74 marks	private (certification body)	not included under 'substantive issues'

	Year launched	Open to foreign businesses	Approved businesses	Type of organisation	Comment
<b>E-Commerce ILiM Certifikat, Poland</b>	2005	Yes	4 shops	public research organisation (backed by consumer organisation)	part of Euro-Label
<b>PACE, Portugal</b>	2003	Yes <sup>59</sup>	7 businesses	E-commerce association and independent auditors	
<b>Confianza Online, Spain</b>	2003	Yes	>250 websites (140 businesses)	business organisations	
<b>Euro-Label Spain</b>	-	Yes	1 shop	-	part of Euro-Label
<b>WebTraderUK</b>	2003	Yes	approximately 200 businesses	business organisation	
<b>Web Trader, several countries</b>	1999	Yes	>2000 marks at the time it seized	consumer organisations	seized

All of the examined Trustmarks are established within the last 5 to 6 years. The Web Trader Trustmark was established in 1999 based on funding by the European Commission, but seized as it ran out of money, and before a viable business model was established. The amount of approved businesses or websites varies for the most part from a few to some hundreds. The largest Trustmark (measured by approved businesses) is the German Trusted Shops with more than 1,500 shops, followed by Euro-Label, which in the 6 countries has a total of 435 shops. The Web Trader scheme did have more than 2,000 approved sites, but was also free of charge. There is a broad mix between consumer and commercial driven Trustmarks with or without public involvement.

All Trustmarks are open to foreign businesses, which is in accordance with the requirements of non-discrimination in the European Union. This means that foreign businesses can use the mark in its activities in the respective markets, but it does not necessarily mean that compliance with the relevant code of conduct is sufficient to use the mark in other countries than the Trustmarks country of origin.

The Trusted Shops Trustmark is the only examined Trustmark that has differentiated its code of conduct depending on where the consumer is based.<sup>60</sup> This is done in order for the approved businesses to comply with the law even if they carry out businesses in other states than Germany or the business's country of origin. The primary focus of Trusted Shops is on the United Kingdom, Germany, France, Belgium, the Netherlands

59 ACEP has never received such an application.

60 Concerning the right of withdrawal for the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom.

and Scandinavia.

Euro-Label is another example of a Trustmark that covers several countries. However, the Euro-Label consists of 6 different branches situated in different countries. It is possible for businesses situated outside these 6 countries to apply for the Euro-Label, but the review does in that case not include specific legislation in other countries than that country where it is approved.

### 4.3. Procedural issues

Below is a table, which provides an overview of different procedural issues concerning the application for the Trustmark, fees and reviews. All of the examined Trustmarks, but Hungarian eQ Recommendation and the now seized Web Trader, have a review procedure in connection with the application.

	<b>Application procedure</b>	<b>Application or audit fee</b>	<b>Annual fees</b>	<b>Recurrent review</b>	<b>Sanctions for non-compliance</b>
<b>SOAP, Czech Republic</b>	e-mail, mail or phone	€70–285	€35	annual	certificate withdrawn
<b>The E-Mark, Denmark</b>	website	€280-1,000	€450-1,750	annual and random checks	certificate withdrawn
<b>Trusted Shops, Germany</b>	website	€89 (set up fee)	€59-99 (monthly)	annual and random checks	contractual penalty and withdrawal of certificate
<b>Safer Shopping, Germany</b>	website	annual fee only	€3,000-30,000	annual checks	-
<b>EHI Euro-Label, Germany</b>	website	€750-1,500	€500-1,000 (after first certification)	annual checks	certificate withdrawn
<b>eQ recommendation, Hungary</b>	sending signed declaration	none	none	sporadic checks	certificate withdrawn
<b>W-mark, Ireland</b>	website	€3,000-5,000	€800	every 6 month	certificate withdrawn
<b>Segala, Ireland</b>	website or through certified agent	varies	varies	annual renewal	certificate withdrawn
<b>Luxembourg e-Commerce Certified</b>	website	annual fee only	approximately €1,000 (audit)	annually	certificate withdrawn
<b>Euro-Label Malta</b>	website	€47.50	€24	annually	certificate withdrawn
<b>Thuiswinkel Waarborg, The Netherlands</b>	mail	-	€150-29,000 (audit) plus €450 (trustmark fee)	annually (external accountants)	certificate withdrawn

	<b>Application procedure</b>	<b>Application or audit fee</b>	<b>Annual fees</b>	<b>Recurrent review</b>	<b>Sanctions for non-compliance</b>
<b>EBtrust, Norway</b>	website etc.	€3,000-12,000	-	annually. re-certification process after 3 years	certificate withdrawn
<b>E-Commerce ILiM Certifikat, Poland</b>	website	€100-560	€80-450	annually	special check (additional payment) and certificate withdrawn
<b>PACE, Portugal</b>	website	€1,000-3,000	30% of initial fee every 2 <sup>nd</sup> year. Membership of PACE required (€ 500 annually, €150 application fee)	every 2 year	certificate withdrawn
<b>Confianza Online, Spain</b>	application form	Initial fee. Free to members of certain organisations	€550-5,500. Discounts to members of certain organisations	-	-
<b>WebTraderUK</b>	application form per mail	only annual fee	€375 + VAT	annual and random checks	certificate withdrawn
<b>Web Trader, several countries</b>	website	none (funded by European Commission)	none (funded by European Commission)	none	certificate withdrawn

The majority of the Trustmarks allow for online application via a website. The annual costs involved with being approved vary from under hundred euros to a couple of thousands for most Trustmarks. Some of the Trustmarks are much more expensive, which may be due to more extensive tests than that involved solely with legal aspects of consumer protection.<sup>61</sup> Under the Euro-Label scheme, the costs varies between the separate certification bodies involved. Based on the gathered information, it is not possible to draw any significant conclusions from the figures. The table is solely included in order to provide an overview. In the situations where the costs involved with a Trustmark are differentiated, the price depends mainly on the business's turnover, its size, number of employees and the complexity of the website and performed tests.

Most of the Trustmarks do carry out some kind of recurrent review. The Hungarian eQ Recommendation and the seized Web Trader Trustmark differs from the other Trustmark in that there is/was no review carried out. The recurrent reviews are mostly carried out annually. Reviews and consultation is also carried out in most instances when the Trustmark organisation is informed of non-compliance with the code of

61 Such as W-mark, Segala, and EBtrust.

conduct. Some Trustmarks have a certification committee or advisory counsel to handle disputes concerning the interpretation of the code of conduct. The general sanction for non-compliance is withdrawal of the approval related to the Trustmark.

Trusted Shops has in the contractual relationship with the business (General Terms and Conditions of Membership) stipulated further sanctions than withdrawal of the right to use the Trustmark. Trusted Shops may, in the case of negligent conduct, sanction the business with contractual (civil) penalties of €15,000, which is to be paid to a consumer protection association of Trusted Shops' choice.

*Trusted Shops, General Terms and Conditions of Membership, section 2(6) (Misuse; contractual penalty)*

*Should, despite the fact that the prerequisites stipulated in § 2, paragraph 5<sup>62</sup> are not fulfilled, the online-shop utilize one or several Trusted Shops brands, Trusted Shops may request the online-shop to ensure that the prerequisites stipulated in § 2, paragraph 5 are fulfilled within a reasonable period of time or remove the said brands and all references to Trusted Shops from their Web site (warning).*

*In the event that the online-shop should, despite having received a warning, continue to utilize the seal without fulfilling the prerequisites stipulated in § 2, paragraph 5, Trusted Shops may cancel the Agreement without notice and, in the case of negligent conduct, request from the online-shop the payment of a contractual penalty to the amount of €15,000.00 (GBP 10,500.00 for online-shops based in the UK). The recipient of this contractual penalty shall be a consumer protection association to be named by Trusted Shops. This shall have no bearing upon any additional claims on the part of Trusted Shops stemming from the unauthorized utilization of the seal.*

#### **4.4. Substantive issues**

This part of the report deals with the analysis of substantive requirements to be fulfilled by the approved business. For the most part, these requirements are laid out in a code of conduct. This overview is based on answers to the questionnaire, and in some instances, the code of conduct of the Trustmark. Some questions included a possibility to elaborate on the questions. However, this feature was not widely used by the respondents.

The questionnaire, which is found in the appendix, comprises 21 questions (question 3.5), which follow the structure and main features of the Euro-Label code of conduct (the European Code of Conduct).<sup>63</sup> The European Code of Conduct has been used to structure the comparison and presentation. This is due to the fact that the Euro-Label seem to be the most significant initiative to provide one common Trustmark in electronic commerce in EU. In that context, the different Trustmark organisations have been asked whether they have considered to become part of Euro-Label.

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62 'The usufructuary rights shall only obtain as long as the online-shop a) fulfils the provisions stipulated in the wording of the Certification Requirements (Appendix TS-CER) in force at any given time; and b) offers to its customers (Internet purchasers) the Trusted Shops Guarantee in accordance with these terms and conditions and those of the Trusted Shops Guarantee Agreement...'

63 This code of conduct was drafted in accordance with European legislation, including in particular the EU Directives on Electronic Commerce, Distance Selling, Data Protection and on guarantees.

#### 4.4.1. General questions

	Is it expressly required to comply with national law, including EU law, in order to adhere to the Trustmark?	Is it required to comply with the decisions of certain alternative dispute resolution mechanisms?	Are there any money-back guarantees (guarantees issued by the Trustmark scheme or third parties)?	Have you considered to become part of the Euro-Label scheme?
<b>SOAP, Czech Republic</b>	Yes	No	No	No
<b>The E-Mark, Denmark</b>	Yes	Yes (Danish Consumer Complaints Board)	No	No (not discussed)
<b>Trusted Shops, Germany</b>	Yes	No (own mediation process)	Yes (Trusted Shops Guarantee - Atradius)	No (open for co-operation negotiations)
<b>Safer Shopping, Germany</b>	Yes (but not reviewed)	No	Yes (winterthur versicherungen)	No (not thorough enough)
<b>EHI Euro-Label, Germany</b>	Yes	No (own mediation process and link to ECC-Net)	No	(is part of Euro-Label)
<b>eQ recommendation, Hungary</b>	Yes	No	No	No (had no knowledge)
<b>Luxembourg e-Commerce Certified</b>	Yes	No	No	No
<b>Euro-Label Malta</b>	Yes	Yes (own mediation process)	No	(is part of Euro-Label)
<b>Thuiswinkel Waarborg, The Netherlands</b>	Yes	Yes	Yes <sup>64</sup>	Yes (decided otherwise)
<b>E-Commerce ILiM Certyfikat, Poland</b>	-	No (Euro-Label ADR)	-	(is part of Euro-Label)
<b>PACE, Portugal</b>	Yes	No	No	No (no demand from customers)
<b>Confianza Online, Spain</b>	Yes	Yes (national complaint board, binding decisions)	No	No (to be considered)
<b>WebTraderUK</b>	Yes	Yes	No	No (not aware)

<sup>64</sup> If preceded by a demission of the complaint committee. (If a consumer files a complaint at the independent complaint committee and the dispute is ruled in his favour, the Thuiswinkel.org guarantees the demission of the committee will be carried out.

The majority of the examined Trustmarks have an express requirement to comply with national law, including EU legislation. A number of Trustmarks require the approved businesses to comply with decisions of certain alternative dispute resolution mechanisms. Some Trustmarks have their own alternative dispute resolution, whereas other Trustmarks rely on external dispute resolution mechanisms. In Spain, the national complaints board enters binding decisions, where the situation in Denmark is that the approved businesses is required to comply with the generally non-binding decisions of the national consumer complaints board.

In dispute resolution under the Euro-Label scheme, the consumer should contact the business. The code of conduct imposes the business to provide detailed information on how to contact the after-sales service and on the complaint handling. A complaint may also be filed online with Euro-Label. The relevant national certification body will process the complaint. If this does not lead to a resolution of the dispute, the complaint may be forwarded to an external alternative dispute resolution body through the ECC-Net.

Three of the examined Trustmarks provide a guarantee to the consumer. The Trusted Shops guarantee,<sup>65</sup> which is provided by Atradius insurance group,<sup>66</sup> can be used by the consumer in certain cases of 1) non-delivery of goods, 2) non-refund after returning goods,<sup>67</sup> and 3) credit card fraud. In addition to the review of compliance of the code of conduct, credit-worthiness checks on the business are carried out in order for the guarantee to work. In case the guarantee is used, the insurance company maintain the right to seek recourse with the business.

*Trusted Shops, General Terms and Conditions of the Trusted Shops Guarantee section 6 (recourse arrangements):*

*The online shop shall, any more far-reaching compensation claims, including costs, notwithstanding, place at the disposal of Atradius the payments which have been effected by the same on the basis of the Trusted Shops Guarantee. Atradius shall, in each case, invoice the online shop for the payments which it has effected on the last day of a month in conjunction with a detailed schedule. The online shop shall pay interest of 7 % on the advance payments made by Atradius with effect from the date upon which they were made by Atradius until such time as they are reimbursed by the online shop. In addition, Atradius may, with effect from the assertion of a claim under a guarantee, request that the online shop furnish the relevant funds.*

*The online shop shall refund to Atradius all the costs of prosecuting legal actions and any other costs which Atradius incurs in consequence of claims being asserted by on-line customers under Trusted Shops Guarantees.*

There are no significant conclusions relating to why the Trustmarks organisations have not considered to become part of Euro-Label. Trusted Shops in Germany seem to be in a position of competing with Euro-Label, whereas Dutch Thuiswinkel.org have decided their own system to be better for the interest of the Dutch people. The majority of the Trustmarks have not considered the option, at least in some cases because they

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65 [www.trustedshops.com/en/consumers/guarantee\\_en.html](http://www.trustedshops.com/en/consumers/guarantee_en.html).

66 [www.atradius.com](http://www.atradius.com)

67 Goods made to the consumer's specifications (e.g. custom-made suits) or fresh goods which deteriorate rapidly (e.g. food, flowers), travel (delivery of travel guarantee coupon), event tickets, audio and video recordings or computer software which were unsealed by the consumer, software downloads as well as newspapers, periodicals and magazines are exempt from the guarantee.

did not have knowledge of the Euro-Label scheme.

#### **4.4.2. The code of conduct**

Based on the answers to the questionnaire, a comparison between the scope of the different Trustmarks has been carried out. The results are presented in schematic form below. The examination below follows the provisions of the Euro-Label code of conduct. It should be noted that the Euro-Label code of conduct is not binding to other Trustmarks, and that the code solely is used for pragmatic reasons as a basis for comparison. Under 4.4.2.6, there is an overview of additional features in the examined Trustmarks that are not found in the Euro-Label code of conduct.

In general, the examined Trustmarks, except the Certified Shops Trustmark and eQ Recommendation, include similar provisions as those provided by the Euro-Label code of conduct. The features listed below, are the features of the Euro-Label code of conduct, which were most frequently missing in other codes of conduct (numbers 3, 6 and 7 are the features missing in most codes).

1. **Obligations to provide information about availability of the products.** This is not a requirement under EU legislation. Usually, it is possible for businesses to provide information about availability of products. However, more simple web shops may not have this feature.
2. **Obligation to perform the contract within a certain time limit.** There is an obligation under EU legislation to perform the contract within 30 days unless otherwise agreed.<sup>68</sup> Usually, contract concluded in the context of electronic commerce are expected to be performed quicker than within 30 days. For that reason including this feature could send false signals to the businesses, which generally should fulfil their obligations as quickly as possible.
3. **Rules on how to offer substitute product in case of unavailability.** This seem to be a particular feature invented by Euro-Label, which has been taken on by other codes of conduct. This is not a requirement under EU legislation.
4. **Time limits on the reimbursement in case of withdrawal.** It is required under EU legislation that reimbursement takes place within 30 days.<sup>69</sup>
5. **Requirements to inform about how to file a complaint.** Contact information and information on how to file complaints with the business in connection with distance selling is mandatory under EU legislation. Businesses are not obliged to inform about alternative dispute resolution. This is, however, an obvious feature at least in the instances where a dispute resolution mechanism is connected to the Trustmark.
6. **A ban on the collection of personal data from children.** There is no requirement not to collect personal data from children. This feature was part of the now withdrawn proposal for an EU regulation on sales promotions.<sup>70</sup>
7. **A ban on entering contracts knowingly with children.** This feature also concerns children as a group. It may, however be difficult for businesses to

68 See the 1997 Distance Selling Directive, article 7(1).

69 See the 1997 Distance Selling Directive, article 6(2).

70 Proposal for a regulation concerning sales promotions in the Internal Market, COM(2001) 546 final, 2 October 2001, article 5(1).

establish the age of a customer. Thus there may be technical difficulties with this feature. However, the protection of minors in connection with the conclusion of contracts is a common feature in national legislation. Under the Spanish *Confianza Online Trustmark*, parental authorisation is required.

The protection of children seems to be an issue where there are differences between the various Trustmarks. It may be difficult to verify the age of the customer, but there are certain mechanisms that will allow for such verification. Even though they may not be 100% reliable, they may prevent minors from possible harm. *Trusted Shops* requires the online shop, by means of age verification mechanisms (e.g. copy of personal identity card/ identification card combined with an account number or credit card number registered under the same name), particularly undertake to ensure that goods whose sale is only permitted to adults are not supplied to minors and that contents which are morally harmful to adolescents are not accessible to minors.

Most Trustmarks require in accordance with 1997 *Distance Selling Directive*<sup>71</sup> to offer a right of withdrawal. For any distance contract the consumer is to have a period of at least seven working days in which to withdraw from the contract without penalty and without giving any reason. However, due to the fact that the directive only provides minimum harmonisation, the amount of days/working-days to withdraw in differs from state to state. This requirement that is exempt from the country of origin principle of the 2000 *E-Commerce Directive*,<sup>72</sup> seems to be causing problems for cross-border electronic commerce. In the *Trusted Shops* code of conduct (section 12), it is solved by stating country specific rules depending on the country where the consumer is based. This difference could also be solved by providing a right of withdrawal of 15 working days, which is the longest withdrawal period offered in an EU member State (Malta).

Below is a schematic presentation of the scope of the code of conduct for the various Trustmarks.

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71 Article 6(1).

72 See article 3 and the annex.

## 4.4.2.1. General requirements and privacy

	<b>General requirement to state information about name, address, VAT no., contact details etc.</b>	<b>Requirement to inform about the collection and handling of personal data</b>	<b>Requirement to respect the consumer's right to refuse transfer of personal data and reception of unsolicited commercial communications</b>
<b>SOAP, Czech Republic</b>	X	X	X
<b>The E-Mark, Denmark</b>	X	X	X
<b>Trusted Shops, Germany</b>	X	X	X
<b>Safer Shopping, Germany</b>	X	X	X
<b>EHI Euro-Label, Germany</b>	X	X	X
<b>eQ recommendation, Hungary</b>	X	X	X
<b>Luxembourg e-Commerce Certified</b>	X	X	X
<b>Euro-Label Malta</b>	X	X	X
<b>Thuiswinkel Waarborg, The Netherlands</b>	X	X	X
<b>E-Commerce ILiM Certyfikat, Poland</b>	X	X	X
<b>PACE, Portugal</b>	X	X	X
<b>Confianza Online, Spain</b>	X	X	X
<b>WhichWebtraderUK</b>	X	X	X

4.4.2.2. *Pre-contractual obligations*

	Obligations to provide pre-contractual information about products, which are offered for sale	Obligations to provide pre-contractual information about prices, taxes, delivery costs etc.	Obligations to provide pre-contractual information about terms of contract (applicable law, out-of-court settlement, right of withdrawal etc.)	Obligations to provide pre-contractual information about the level of security (encryption etc.)
<b>SOAP, Czech Republic</b>	x	x	x	-
<b>The E-Mark, Denmark</b>	x	x	x	x
<b>Trusted Shops, Germany</b>	x	x	x	x
<b>Safer Shopping, Germany</b>	x	x	x	x
<b>EHI Euro-Label, Germany</b>	x	x	x	x
<b>eQ recommendation, Hungary</b>	x	x	(x) partly	x
<b>Luxembourg e-Commerce Certified</b>	x	x	x	x
<b>Euro-Label Malta</b>	x	x	x	x
<b>Thuiswinkel Waarborg, The Netherlands</b>	x	x	x	x
<b>E-Commerce ILiM Certyfikat, Poland</b>	x	x	x	x
<b>PACE, Portugal</b>	x	x	x	x
<b>Confianza Online, Spain</b>	x	x	x	x
<b>WhichWebtraderUK</b>	x	x	x	x

## 4.4.2.3. Contractual issues

	Obligations to provide information about availability of the products	Obligations to provide information about the ordering procedure/processes	Requirement to acknowledge the receipt of an order electronically	Obligation to perform the contract within a certain time limit
<b>SOAP, Czech Republic</b>	-	-	-	-
<b>The E-Mark, Denmark</b>	-	x	x	-
<b>Trusted Shops, Germany</b>	x	x	x	x (30 days)
<b>Safer Shopping, Germany</b>	x	x	x	x
<b>EHI Euro-Label, Germany</b>	x	x	x	x
<b>eQ recommendation, Hungary</b>	x	x	-	-
<b>Luxembourg e-Commerce Certified</b>	x	x	x	x
<b>Euro-Label Malta</b>	x	x	x	x
<b>Thuiswinkel Waarborg, The Netherlands</b>	-	x	x	x (30 days)
<b>E-Commerce ILiM Certyfikat, Poland</b>	x	x	x	x (30 days)
<b>PACE, Portugal</b>	x	x	x	x
<b>Confianza Online, Spain</b>	x	x	x	x
<b>WebTraderUK</b>	-	-	x	x (30 days)

## 4.4.2.4. Post-contractual obligations

	Rules on how to offer substitute product in case of unavailability	Obligation to offer right of withdrawal (how many days/working days)	Rules on the reimbursement of payments made by the customer in case of withdrawal (time limits)	Obligation to provide information about guarantees and after-sales service (post-contract)
<b>SOAP, Czech Republic</b>	-	-	-	x
<b>The E-Mark, Denmark</b>	-	x (14 days)	-	x
<b>Trusted Shops, Germany</b>	-	x (between 7 days and 14 working days <sup>73</sup> )	x (30 days)	x
<b>Safer Shopping, Germany</b>	x	x	x (30 days)	x
<b>EHI Euro-Label, Germany</b>	x	x	x	x
<b>eQ recommendation, Hungary</b>	-	-	-	-
<b>Luxembourg e-Commerce Certified</b>	-	x	x	x
<b>Euro-Label Malta</b>	x	x	x	x
<b>Thuiswinkel Waarborg, The Netherlands</b>	x	x (7 working days)	x (30 days)	x
<b>E-Commerce ILiM Certyfikat, Poland</b>	x	x (10 days)	x (30 days)	x
<b>PACE, Portugal</b>	x	x (14 days)	x (30 days)	x
<b>Confianza Online, Spain</b>	x	x (7 days)	x (30 days)	x
<b>WebTraderUK</b>	-	x	x (30 days)	x

73 It should be noted that the 1997 Distance Selling Directive requires at least 7 working days.

## 4.4.2.5. Miscellaneous

	<b>A ban on the sending of unsolicited commercial communication</b>	<b>Requirements to inform about how to file a complaint and possible out-of-court settlement</b>	<b>A ban on the collection of personal data from children</b>	<b>A ban on entering contracts knowingly with children</b>
<b>SOAP, Czech Republic</b>	-	-	-	-
<b>The E-Mark, Denmark</b>	x	x	-	-
<b>Trusted Shops, Germany</b>	x	x	x	x
<b>Safer Shopping, Germany</b>	x	x	x	-
<b>EHI Euro-Label, Germany</b>	x	x	x	x
<b>eQ recommendation, Hungary</b>	-	-	-	-
<b>Luxembourg e-Commerce Certified</b>	x	x	x	-
<b>Euro-Label Malta</b>	x	x	x	x
<b>Thuiswinkel Waarborg, The Netherlands</b>	x	x	-	-
<b>E-Commerce ILiM Certyfikat, Poland</b>	x	(-)	(-)	(-)
<b>PACE, Portugal</b>	x	x	x	x
<b>Confianza Online, Spain</b>	x	x	x	x
<b>WebTraderUK</b>	x	x	x	x

#### 4.4.2.6. *Other features in the Trustmarks*

Some of the Trustmarks include other features than those found in the Euro-Label code of conduct. Below is a presentation of the features discovered in the course of this research:

- A ban on the collection of bank account numbers for example in the case of reimbursement, where money transfers may not be used.<sup>74</sup>
- For electrical and electronic brands, e-shops must take back used units for recycling. The consumer bears the costs of freight.<sup>75</sup>
- Consumers right of withdrawal is 3 months if the shop did not attach information about firm and consumer rights in connection with the product. It is recommended to put this information on the back of the invoice or other sales documents.<sup>76</sup>
- The online shop shall undertake only to offer goods or services whose sale via the Internet is definitely permitted and to observe all geographical and sectoral sales restrictions.<sup>77</sup>
- The online shop shall undertake to deploy a suitable IT security concept, particularly encryption technology, precautions against access by unauthorized third parties and secure servers, in order to protect the privacy of customers and prevent misuse.<sup>78</sup>
- The electronic transfer of payment information must always be effected on an encrypted basis. Customers must be apprised of the encryption type and intensity at an easy to find location.<sup>79</sup>
- Pre-contractual information for tour operators, including Order acknowledgements.<sup>80</sup>
- Specific rules on interactive advertising.<sup>81</sup>
- A ban on requiring or taking advance payment.<sup>82</sup> This feature may be considered as an alternative to providing third-party guarantees in the case of advance payments. However, this version may discourage certain businesses from applying for the Trustmark.
- Particular rules on the protection of minors.<sup>83</sup>
- Requirement to comply with a certain code on advertising practices.<sup>84</sup>

In addition to these features, it should be noted that Trustmarks also may improve

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74 E-Commerce ILiM Certyfikat, Poland.

75 E-Commerce ILiM Certyfikat, Poland.

76 E-Commerce ILiM Certyfikat, Poland. This requirement may not be different from what is required by articles 5 and 6 of the 1997 Distance Selling Directive. According to these provisions, the information may be sent separately, and by another durable medium.

77 Trusted Shops, Germany.

78 Trusted Shops, Germany.

79 Trusted Shops, Germany.

80 Trusted Shops, Germany.

81 Confianza Online, Spain.

82 E-Mark, Denmark.

83 PACE, Portugal.

84 WebTraderUK. The online advertising must meet the standards of the British Code of Advertising, Sales Promotion and Direct Marketing ([www.cap.org.uk/cap/codes](http://www.cap.org.uk/cap/codes)).

consumer protection through issues dealt with in Trustmarks falling outside the scope of this research. This includes in particular features concerning security (encryption), business process, labelling of content etc.



## 5. Conclusions

Even though Trustmarks are not found in one third of the examined countries, the concept of Trustmarks related to electronic commerce is widely recognised in Europe. It seems there is a connection between the size of the country and the availability of Trustmarks. It seems apparent that only few shops choose to apply for Trustmarks, but it falls outside the scope of this report to explain why that is.

The majority of the examined Trustmarks aim at improving customer confidence in electronic commerce in general and the approved websites in particular. All of the examined Trustmarks have been established within the last 5 to 6 years, and represent various constellations of private and public co-operation as well as co-operation between consumer and business organisations.

The Trustmarks examined in this report deal mainly with collective consumer protection (general information to the consumer), individual consumer protection (contractual, privacy and security issues), and consumer redress. Among the examined Trustmarks, it seems there is a number of similarities concerning the areas regulated in the codes of conduct. Most codes of conduct seem to be based on EU legislation. Besides requirements concerning supervision, enforcement and consumer redress, the codes do not provide a level of consumer protection significantly above EU legislation.

It is assumed that a code of conduct linked to a Trustmark must provide a higher level of consumer protection than provided by law. However, legal review, monitoring, security etc. may also intrinsically enhance the consumer protection afforded. In the United Kingdom and Germany, Trustmark Accreditation Schemes have been adopted. The purpose of such schemes is to ensure that the code of conduct of accredited Trustmarks complies with certain minimum requirements. The requirements in Trustmark Accreditation Schemes may serve as inspiration for features and requirements to be implemented in Trustmarks.

Improvement of consumer protection may in particular be made in the collective consumer protection (advertising standards). Only a few Trustmarks deal with issues relating to advertising and marketing in general, although most Trustmarks forbid the sending of spam. Another area where consumer protection may be significantly improved is in connection with consumer redress. This may either be through third-party guarantees or through the introduction of alternative dispute resolution with decisions that are binding for the business. Also the protection of children is an issue, which is sparsely regulated in EU legislation, and thus an issue where consumer protection may be enhanced.

All the examined Trustmarks are open to foreign businesses, but most Trustmarks leave the impression of being mainly national. The different languages in Europe may be obstacles to providing an EU-wide Trustmark, but local traditions and the trust in national institutions may also play a role. Only Trusted Shops (Germany) and Euro-Label aim at businesses in more than one country. The harmonisation of consumer protection minimises legal obstacles to providing one single code of conduct in Europe. The differences caused by minimum harmonisation may be treated by choosing the most restrictive solutions (highest common denominator) or by differentiating the code of conduct.



## 6. Appendices

### 6.1. Presentation of Trustmarks

Below is a presentation of those Trustmarks that participated in this studies. This presentation is primarily based on the answers to the questionnaire concerning general information and procedural issues. The Euro-Label Trustmark in general is included in the presentation, as the Euro-Label code of conduct ('European Code of Conduct') is used as basis for the substantive comparison. E-Commerce ILiM Certyfikat, Poland, is mentioned independently as they have responded to the questionnaire.

#### 6.1.1. Euro-Label<sup>85</sup>

Euro-Label's primary objective is to foster the growth of national and cross-border e-transactions within Europe, by ensuring that there is a common basis for on-line trading that is trustworthy and fair. To be awarded the Euro-Label Trustmark, the business must implement the 'European Code of Conduct' for retail transactions. 435 shops are approved under this Trustmark. Euro-Label has been set up with financial support from the European Commission. Professional organisations from Austria, France, Germany, Italy, Spain and Poland currently participate in the Euro-Label organisation, as well as EuroCommerce.<sup>86</sup> The aim of Euro-Label is to have the scheme implemented in all 25 EU Member States.

Any European business with a retail web-site (e-shop) may apply for the Euro-Label Trustmark. The Euro-Label Trustmark is also available to traders in countries where there is no national certification body. When traders in these countries wish to apply for the Euro-Label, they should contact central Euro-Label directly. One of the national Euro-Label certification bodies will carry out the certification process, using the standardised European Code of Conduct. In this case, the national rules of the trader's country will not be considered. There is a review of the trader will be carried out by the certification body at least once a year.

For complaints between a consumer and trader in the same country, the national Euro-Label certification body can direct the consumer to a national out-of-court settlement dispute agency. In the case of cross-border transactions, Euro-Label can link the consumer into an international Alternative Dispute Resolution (ADR) agency specifically designed to deal with "cross border" issues.

The European Code of Conduct is drafted in accordance with European legislation, and it draws in particular on the EU Directives on Electronic Commerce, Distance Selling, Data Protection and on guarantees

#### **Contact:**

Euro-Label Europe  
Central Management  
EHI-EuroHandelsinstitut GmbH  
Spichernstraße 55

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85 Euro-Label has not as such participated in this research. E-Commerce ILiM Certyfikat, Poland has answered the questionnaire. The following information is taken from the Euro-Label website. [www.euro-label.com](http://www.euro-label.com).

86 The European association representing retail, wholesale and international trade.

D-50672 Köln/Germany  
www.euro-label.com

phone: +49-2 21-5 79 93-0  
fax: +49-2 21-5 79 93-46  
e-mail: info@ehi.org

**Code of Conduct:**

www.euro-label.com (under general/the code of conduct)

### **6.1.2. SOAP, Czech Republic**

SOAP (Spotřebitelský Audit Obchodních Podmínek<sup>87</sup>) was launched in 2006 by a consumer organisation, and without involvement by public authorities. The purpose of SOAP is to improve legal consciousness between entrepreneurs and consumers. There are around 25-50 businesses carrying the mark, which is also open to foreign businesses.

Applicant businesses may contact SOAP by e-mail, phone or traditional mail. There is both an initial fee and an annual fee. The initial fee ranges from €70 to €285 depending on the complexity of the applicant business's terms of trade, and the annual fee is €35. In connection with the application, a review of the applicant business's terms are carried out.

There is an annual review of the business's compliance with the code of conduct. In case of non-compliance, the business may be penalised or the approval could be withdrawn. Upon complaints, the business is informed, and in case of non-compliance, the business's membership may be withdrawn.

**Contact:**

Sdružení obrany spotřebitelu CR<sup>88</sup>  
Novakových 8,  
180 00 Praha 8  
Czech Republic

phone: 224 239 940  
fax: 224 239 941  
e-mail: sos@spotrebitele.info

**Code of Conduct:**

www.spotrebitele.info/audit/vychodiska.php

### **6.1.3. The E-Mark, Denmark**

The e-mark is the official Danish accreditation for safe and ethically responsible conduct and trade on the Internet. It is administered by a non-profit trust, the eCommerce Foundation (E-Handelsfonden). The Trustmark was established by a group

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87 Translates into 'Terms of trade consumer's audit'.

88 Consumers Defence Association of the Czech Republic.

of private businesses and consumer organisations with support from the Ministry of Science, Technology and Innovation. The purpose is to increase consumer confidence concerning shopping on the Internet, and to increase awareness about good e-commerce practice among the relevant businesses. There are 371 approved websites and 158 websites are under review.

Application is done by submitting an electronic formula. The costs depends on the number of employees in the business, and there is an initial application fee and an annual fee. The application fee ranges from €280 to €1000, and the annual fee ranges between €450 and €1750. The application fee is paid per website, but discounts are available for businesses with multiple websites. Upon application, an initial review of compliance with the code of conduct is carried out. In addition, the Trustmark organisation is carrying out both an annual check and random checks. In case of non-compliance, the business is given 30 day to comply. If the business does not comply, the business will not be allowed to carry the mark.

**Contact:**

e-handelsfonden  
Børsen  
1217 København K  
[www.e-maerket.dk](http://www.e-maerket.dk)

phone: +45 72 25 56 33  
e-mail: [post@e-maerket.dk](mailto:post@e-maerket.dk)

**Code of conduct:**

[www.e-maerket.dk/sw1522.asp](http://www.e-maerket.dk/sw1522.asp)

#### **6.1.4. Trusted Shops, Germany**

Trusted Shops primary objective is to meet the demands made by leading politicians for better security in the internet, and to confirm to the consumer that this security is here to stay. The Trusted Shops Company was founded in September 1999 and launched in January 2000 in close cooperation with consumer protection agencies. More than 1,500 online-shops is approved by Trusted Shops. Trusted Shops is a private company, and it has an Advisory Council with experts from European universities and industry. The Trustmark is open to foreign businesses.

Applicant businesses can apply online at ([www.trustedshops.com/en/shops/packages\\_en.html](http://www.trustedshops.com/en/shops/packages_en.html)) or have an offer sent to them. Trusted Shops is priced depending on the turnover of the business. The price levels are €59 (turnover up to €50,000), €79 (turnover up to €100,000), and €99 (turnover up to €200,000). If the turnover exceeds €200,000, Trusted Shops should be contacted. The price is per month and excludes an one-time set-up fee of €89. Before a business may display the seal, the compliance with the code of conduct will be checked and a credit worthiness check is made. Regular compliance checks are carried out annually, and Trusted Shops is entitled to conduct extraordinary inspections at any time, usually based on consumer complaints (may be sent by phone, fax, letter or e-mail). Consequences of non-compliance are contractual penalty and revocation of the seal. According to the

terms and conditions, Trusted Shop may refund the consumer and invoice the business for payments.

**Contact:**

Trusted Shops GmbH  
Von-Werth-Str. 21-23a  
50670 Cologne, Germany

phone: +49 221 - 77 53 66  
fax: +49 221 - 77 536 89  
e-mail: [info@trustedshops.com](mailto:info@trustedshops.com)

**Code of conduct:**

[www.trustedshops.com/pdf\\_download/Terms\\_and\\_Conditions.pdf](http://www.trustedshops.com/pdf_download/Terms_and_Conditions.pdf)

### **6.1.5. Safer Shopping, Germany**

Safer Shopping was established in 2001 in order to provide a sign of trust for internet users in online business. There are currently 80 approved businesses. The Trustmark is established by business organisations, but are part of D21 monitoring board under the German Online-Gütesiegel. The Trustmark is open to foreign businesses as well.

Businesses can apply online at ([www.safer-shopping.de/angebotsanfrage.html](http://www.safer-shopping.de/angebotsanfrage.html)). The price depends on mass and complexity of the objects to evaluate. Usually, it ranges between €3,000 and €30,000 per year. Upon application, a thorough review is carried out, which includes Online (Expert Check, Usability-Check), Security (Hackers View), Audit (location of online company and service centers). The checks are carried out annually. There is a complaint procedure, where customer can send complaints, which are checked and if necessary discussed with the business. A final answer is sent to the customer.

**Contact:**

TÜV SÜD Management Service GmbH  
[s@fer-shopping](mailto:s@fer-shopping)  
Ridlerstrasse 65  
D-80339 München  
[www.safer-shopping.de](http://www.safer-shopping.de)

phone: +49 (0)89 5791 4300  
fax: +49 (0)89 5155 1097  
e-mail: [info@safer-shopping.de](mailto:info@safer-shopping.de)

**Code of conduct:**

[www.safer-shopping.de/kriterien.html](http://www.safer-shopping.de/kriterien.html)

### 6.1.6. EHI Euro-Label, Germany

The purpose of EHI Euro-Label is to represent and defend the consumers' interests as well as to help the retailers to comply to all laws that are relevant especially for distance selling. This is ensured in to through 1) detailed certification procedures, and 2) Online Complaint Management. Euro-Label Germany started Nov 1999 (the Euro-Label System started in 2002). There are around 190 Shops certified by Euro-Label Germany. Euro-Label Germany (for company infos visit: [www.ehi.org](http://www.ehi.org)) started with support of the German Consumers Association (AGV) which later stopped their involvement when other organizations tried to start an online trustmark business in Germany. Today Euro-Label Germany is the exclusive certification partner of the Federal Association of German Mail Order Traders (bvh).<sup>89</sup>

Foreign business can become a member of the Trustmark. In order to become approved by the Trustmark, the following steps are taken:

1. shop applies by one of the national application forms.<sup>90</sup>
2. The responsible certification body sends all contract documents needed to the retailer.
3. the retailer signs the contract and sends it back to the certification body.
4. After receiving the contract the retailer's shop is tested by the national certification body.
5. the certification body sends the certification report to the retailer. This report a) shows everything that was checked, b) identifies those criteria which are fulfilled, c) identifies those criteria which are not fulfilled, and d) explains in detail what is necessary to fulfil the criteria
6. the retailer receives the report and uses the instructions he finds in the document to update his shop, so that it is compliant with the criteria catalogue.
7. After finishing this process the retailer sends back the report with his comments to the certification body to apply for the final check.
8. the national certification body starts with the final checking procedure.

The fee for the first certification is around €750 to 1,500, and the annual fee after the first certification is between €500 and 1,000. The first fee is charged when the contract is signed and not after completing the certification. The certification process is based on the Euro-Label Code of Conduct. This means that the staff responsible for the operative processes uses a 80 pages checklist. Euro-Label includes an annual review of the shop which is nearly identical with the initial certification process. Furthermore the customers of the approved shops act as a permanent monitoring institution.

**Contact:**

EHI-EuroHandelsinstitut GmbH  
Spichernstraße 55  
50672 Köln

Phone: +49-2 21-5 79 93-51

<sup>89</sup> [www.versandhandel.org](http://www.versandhandel.org).

<sup>90</sup> [www.shopinfo.net/unterlagenanfordern.shtml](http://www.shopinfo.net/unterlagenanfordern.shtml) (in Germany).

Fax: +49-2 21-5 79 93-46  
e-mail: [scharmacher@shopinfo.net](mailto:scharmacher@shopinfo.net)

**Code of conduct:**  
[www.euro-label.com](http://www.euro-label.com)

### **6.1.7. eQ recommendation, Hungary**

The purpose of this Trustmark is to develop the consumers trust by providing a recognisable mark indicating that the online shop follows the rules and principles which the recommendation contains. The Trustmark was launched in September 2001, and there are 24 approved businesses (including two civil organizations and two research institutes). The Trustmark is established, without public involvement, by Infomatikai Vállalkozások Szövetsége, (IVSZ) (Hungarian Association of the IT Companies), Országos Fogyasztóvédelmi Egyesület (OFE) (National Association for Consumer Protection in Hungary), and Bell Research Co. It is by principle possible for foreign businesses to be approved, but the recommendation is only available in Hungarian.

In order to 'apply' for the Trustmark, the business must declare to accept the rules of the recommendation and submit a signed declaration to the IVSZ. There are no initial review of compliance. There is no systematically control, however some control is carried out by members of the organisation. Membership is currently free, but it is planned to introduce a fee, which is to be used inter alia for control of compliance. If the organisation receives a complaint concerning non-compliance, the business is contacted. Sanctions are under discussion in conjunction with the issues concerning the collection of fees.

**Contact:**  
[www.ivosz.hu](http://www.ivosz.hu)

**Code of conduct:**  
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### **6.1.8. W-Mark, Ireland**

The W-mark is a website certification programme, which is offered by the private, self-funded quality association (EIQA). The Trustmark was launched in 2004, and the purpose is to get continuous improvement of websites, better services, and to provide a unified process to evaluate website. The W-Mark has been launched in Ireland, UK, USA, and Australia and will be rolled out across other English speaking countries. There are currently around 40 members, mainly situated in Ireland and with a few in United Kingdom.

The business can apply for the Trustmark online ([www.eiqa.com/products/wmark/application/index.asp](http://www.eiqa.com/products/wmark/application/index.asp)). It costs approximately between €3,000 and €5,000 to become approved. The price depends on whether there is trading on the website, a sign-on feature, and whether personal data is collected. There is a recurrent fee for a surveillance process, which amounts to €400 per 6 month. In the initial and subsequent review procedure, approximately 200 different tests of the

business's website are carried out. This information is only reported to the business, under the recurrent check, if there are any problems. Otherwise, a notice of the check is sent by e-mail. In case of non-compliance, the business is informed and possible disagreement is sought to be resolved at the certification board (W-Mark Global Approvals Board).

Websites are assessed and audited under the following six key criteria: 1) accessibility, 2) commitment to customer service, 3) consistency an appearance, 4) data and information security management, 5) navigation, and 6) privacy compliance management. The W-Mark progression path has three levels; each level has a score allocated. Level 1 is scored between 400 and 600. Level 2 is scored between 600 and 800. Level 3 is scored between 800 and 1000.

**Contact:**

Excellence Ireland Quality Association  
9 Appian way  
Ranelagh  
Dublin 6

phone +353 (01)660 4100

fax +353 (01)660 4280

**Code of conduct:**

Not publicly available

### **6.1.9. Segala, Ireland**

The Segala-Certified™ Trustmark is a visual logo that allows Web site owners to clearly show that their site has been independently audited and certified for accessibility, and that the website complies with industry standards and legislation. The mark links to a certificate that demonstrates the levels of accessibility conformance. The Trustmark is unique in being machine-readable and can therefore be detected by compatible search engines and browsers. This allows filtered searches on accessible sites, helping to ensure that users can find sites which claim to be accessible. The Trustmark was launched in 2005, and approximately 30 businesses are carrying the mark. The scheme is global and available for any business to use worldwide

Application can be submitted either through a Segala-Certified agent or directly to Segala. Web site owners can apply for an accessibility audit and the award of a certificate and Trustmark at ([www.segala.com/accessibilityestimate](http://www.segala.com/accessibilityestimate)). Fees vary according to the size of the Web site carrying the Trustmark (no range has been provided). Websites are audited for compliance to the W3C WCAG 1.0 checkpoints before a site can display the Trustmark. The Trustmark is awarded to a site for a period of 1 year and must be renewed annually.

The Trustmark links to a certificate that carries a mechanism for users to report any misuse of the Trustmark. Upon reports on misuse, Segala investigates all reports of non-compliance and misuse to establish if a) a complaint is valid, b) non-compliance needs to be rectified by the member or c) the certificate and Trustmark need to be revoked and withdrawn. Segala works with members to ensure the quality and credibility of the

Trustmark are maintained and will only withdraw a Trustmark from a member if all alternative courses of action have been exhausted.

**Contact:**

Segala  
19 The Mall, Beacon Court,  
Sandyford, Dublin 18  
Ireland  
[www.segala.com](http://www.segala.com)

phone: +353 (0)1 2931 966

fax: +353 (0)1 2936 978

e-mail: [info@segala.com](mailto:info@segala.com)

**Code of conduct:**

[www.w3.org/TR/1999/WAI-WEBCONTENT-19990505](http://www.w3.org/TR/1999/WAI-WEBCONTENT-19990505)

### **6.1.10. Luxembourg e-Commerce Certified**

This Trustmark was launched in 2002, and is aimed to guaranty the quality and the security of Internet transactions. There are 10 businesses approved under the Trustmark (for details see [www.e-certification.lu/listsit.htm](http://www.e-certification.lu/listsit.htm)). The three partners of the project are Chambre de Commerce (Chamber of Commerce) and Chambre des Metiers Chamber of Trades and Handicraft) in Luxembourg. The Trustmark is financially supported by Ministère de l'Economie et du Commerce extérie (the Ministry of Economy). The Trustmark is open to foreign businesses, but no non-Luxembourg business have ever applied.

Application to carry the Trustmark, is sent via the Internet ([www.e-certification.lu/srelations.htm](http://www.e-certification.lu/srelations.htm)). The price of the audit, which depends on the complexity of the web site that has to be certified, is approximately 1,000  (the process is described [in French] at [www.e-certification.lu/scert1.htm](http://www.e-certification.lu/scert1.htm)). The certification is carried out by Soci t  Nationale de Certification et d'Homologation (SNCH), which is accredited by Office Luxembourgeois d'Accr ditation et de Surveillance (OLAS). Compliance is checked annually. If an approved business does not comply, the business loses its certificate. In case complaints concerning an approved business is received, direct contact to the business will be taken followed by a review and if necessary a decision by the certification committee.

**Contact:**

[www.e-certification.lu](http://www.e-certification.lu)

**Code of conduct:**

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### **6.1.11. Euro-Label Malta**

Euro-Label is a single trustmark which represents a harmonised set of national e-

shopping principles and which operates at both European and national level. Euro-Label provides a key enabling mechanism to support e-commerce. Euro-Label is intended to build the consumers' trust of e-commerce all over Europe and to increase sales on line. In Malta the Trustmark Scheme will be launched in October 2006, and there are around 15 businesses in the process of getting approved. The Trustmark is established in co-operation between the Ministry for Investment, Industry and IT (Malta Communications Authority) and Malta Chamber of Commerce and Enterprise.

A business may apply online ([www.eurolabel.gov.mt](http://www.eurolabel.gov.mt)), the application is processed by The Malta Chamber of Commerce and Enterprise. There is an initial fee of €47.50, and a annual fee of €24. Prior to approval, a business has to complete a checklist. Upon every renewal (annually) the business is checked for compliance. A check is also carried out if complaints regarding non compliance is received. If a business is not complying, it will be given a period of time to rectify its position, if it fails to do so, certification is withdrawn.

**Contact:**

1) Ministry for Investment, Industry and Information Technology  
54/2, Zachary Street,  
Valletta – VLT 08  
Malta  
[www.eurolabel.gov.mt](http://www.eurolabel.gov.mt)

phone: 00356 21 255 495  
fax: 00356 21 255 494  
e-mail: [eurolabel@gov.mt](mailto:eurolabel@gov.mt)

2) Malta Chamber of Commerce and Enterprise  
Exchange Building  
Republic Street  
Valletta – VLT 05  
Malta

phone: 00356 21 233 873  
fax: 00356 21 245 223

**Code of conduct:**

[www.euro-label.com](http://www.euro-label.com)

### **6.1.12. Thuiswinkel Waarborg, The Netherlands**

Thuiswinkel Waarborg was established in 2001 in order to promote distance selling and improve consumer protection. There are AROUND 400 approved businesses. The Trustmark is established by a public authority (Sociaal Economische Raad), a consumer organisation Consumentenbond,<sup>91</sup> and the Dutch distance selling organisation, Nederlandse Thuiswinkel Organisatie (Thuiswinkel.org). The Trustmark is open to

foreign businesses.

To be allowed to carry the trustmark on its website, the business has to become a member of Thuiswinkel.org. To be approved as a member one has to apply Dutch law and the code of conduct of Thuiswinkel.org. Furthermore one has to submit its financial annual report. The price of the membership depends on the annual turn-over of the business, ranging from €150 to €29,000 per year. In addition, there is a trustmark fee of €450 per year. There is both an initial and an annual control of compliance. As of 1 January 2007, the control is carried out by KPMG. In case of non-compliance the company is asked to correct his performance. If it does not do so, the business is expelled. In case of complaints, the Trustmark organisation intervenes, and the complaint can in addition be filed at a special complaint committee.

**Contact:**

Nederlandse Thuiswinkel Organisatie  
Postbus 7001  
6710 CB EDE

phone: +31 318 64 85 75

fax: +31 318 64 85 76

e-mail: [info@thuiswinkel.org](mailto:info@thuiswinkel.org)

**Code of conduct:** (in Dutch)

[www.thuiswinkelwaarborg.nl/onderdeel/thuiswinkelennl/index.asp?kolomA=3954&kolomB=&navid=1](http://www.thuiswinkelwaarborg.nl/onderdeel/thuiswinkelennl/index.asp?kolomA=3954&kolomB=&navid=1)

### **6.1.13. EBtrust, Norway**

The EBtrust Trustmark from Det Norske Veritas (DNV) concerns whether an eBusiness Management System is compliant with DNV's eBusiness standard. It was launched in 2002 by DNV, which is an independent certification body. The EBtrust mark is intended to communicate trust and confidence to sceptical and seasoned online shoppers. 74 Trustmarks are issued. Any company may be certified provided they are within the scope of the Trustmark.

In order to apply, DNV may be contacted on [www.dnv.com](http://www.dnv.com) or by contacting the nearest DNV office (300 offices in 100 countries). The price depends on company size, complexity, maturity, and which EBtrust modules are selected. Costs are related to initial certification(assessment), surveillance assessment and re-certification(assessment). The typical costs are in the range of €3,000-12,000. The review procedure entails a thoroughly check of web-site and assessment at the applicant business's site. Assessment involves interview of personnel, check on records, and observation of performance. EBtrust is based on a set of general requirements plus 5 modules: 1) ethics, 2) infrastructure, 3) security, 4) process and organisation, and 5) web marketing.

There is an annual assessment at the business's site, and after three years, there is a re-certification process similar to the initial certification. Non-compliances identified (at any assessment) must be rectified within a specified time. The mark is withdrawn if not corrected in due time. Upon complaints concerning an approved business, the complaint

is forwarded to the business. Normally, the business is expected to handle complaints in a structured manner, and the issue will normally be followed up during the following assessment. Serious complaints are followed up directly with the business.

**Contact:**

[www.dnv.com](http://www.dnv.com)

e-mail: [certification@dnv.com](mailto:certification@dnv.com)

**Code of conduct:**

[www.dnv.com/certification/managementsystems/ebusiness/ebtrust.asp](http://www.dnv.com/certification/managementsystems/ebusiness/ebtrust.asp)

[www.dnv.com/binaries/EBtrust\\_version2\\_tcm4-15255.pdf](http://www.dnv.com/binaries/EBtrust_version2_tcm4-15255.pdf)

### **6.1.14. E-Commerce ILiM Certyfikat, Poland**

The E-Commerce ILiM Certyfikat Trustmark was established in 2005 with a view to certify e-shop systems. There are currently four businesses carrying the Euro-Label Trustmark in Poland. The system is backed by public authorities (Office of Competition and Consumer Protection, [www.uokik.gov.pl](http://www.uokik.gov.pl)) and consumer organisations (Federation of Consumers - in Poland) and certification bodies. E-Commerce ILiM Certyfikat, Poland is run by the Institute of Logistics and Warehousing (Instytut Logistyki i Magazynowania), which is an interdisciplinary, state-owned R&D unit. The Polish Trustmark is open to businesses in Poland, whereas the Euro-Label Trustmark itself is open to businesses in all European countries.

The certification is carried out by the Institute of Logistics and Warehousing (Instytut Logistyki i Magazynowania). The price for certification and adherence depends on the the business's turnover. In the certification process, all issues dealt with in the code of conduct is examined.

**Contact:** (certification body)

Instytut Logistyki i Magazynowania

ul. E .Estkowskiego 6

61-755 Poznan

Poland

[www.ilim.poznan.pl](http://www.ilim.poznan.pl)

phone: +48 61 850 4983

e-mail: [jc@ilim.poznan.pl](mailto:jc@ilim.poznan.pl)

**Code of Conduct:**

[www.euro-label.com](http://www.euro-label.com)

### **6.1.15. PACE. Portugal**

The main objectives of the PACE Trustmark Scheme are to: 1) increase companies and consumers confidence in e-commerce and homebanking operations, 2) provide online traders (B2B and B2C) and banks with an instrument that verifies and shows the commitment to comply with the Portuguese law and the best practices in the online

industry, and 3) provide consumers and companies with an effective and fast dispute resolution system. The Trustmark is established by the Portuguese E-commerce Association (ACEP) in collaboration with independent auditors

PACE Trustmark was officially launched in May 2003. The first phase of the project lasted 24 months and was essentially an implementation stage to assess the processes of the program and its adherence to all relevant markets: 4 different sites were assessed in:

- Homebanking system (the Portuguese national bank with the biggest customer base in Portugal, <https://caixadirecta.cgd.pt>)
- Emarketplace (the biggest B2B project in Portugal, [www.econstroi.com](http://www.econstroi.com))
- B2C stores (one is one of the most important traditional retailer in Portugal, [www.elcorteingles.pt](http://www.elcorteingles.pt) and one of the most important electronic retailers in Portugal, [www.chip7.pt](http://www.chip7.pt))

A “pre-launch” stage is currently running where other business models have been assessed:

- B2B store (the b2b office supplies store, leader in Portugal, [www.pmelink.pt](http://www.pmelink.pt))
- B2C store based on a catalogue model(a children clothing store that is leader in catalogue sales [www.vertbaudet.pt](http://www.vertbaudet.pt))
- B2C store based on a bank affiliation program (a leading private bank in Portugal [www.clubebpi.pt](http://www.clubebpi.pt))

The key result of the “pilot” and “pre-launch” stages is this highly relevant installed based of successfully implemented projects with the leaders in each market segments. This has set PACE Trustmark scheme as the “facto” standard in Portugal. In January 2007, PACE will initiate a broad and definitive launch of its Trustmark scheme, aiming at a broader deployment. There are currently 7 approved businesses. Provided the website owner is duly registered and is associated with ACEP, it is eligible to apply to PACE.

Businesses can apply to the Trustmark programme via PACE website ([www.comercioelectronico.pt](http://www.comercioelectronico.pt)) by filling an application form which is sent directly to PACE’s office. To be a member of the Trustmark scheme one must be member of the Portuguese e-commerce association (ACEP). The cost of the Trustmark scheme is the following: 1) auditing fee (first time), between €1,000 and €3,000 (depending on company size measured by its number of employees, the auditing is valid for two years), and 2) a recurrent fee of 30% of the initial fee is applied for an additional auditing every two years.

Before having the right to display the Trustmark, the websites are thoroughly audited. The Trustmark is only visual element of a legal contract between the Trustmark Entity (PACE) and the owner of the site, contract which the latter compromises to follow exactly the requisites of a Conformity Manual and the former compromises to monitor the conformity of the site and assures independent resolution mechanisms in order to solve eventual conflicts.

The following topics are comprehensively observed in the website’s audit: Legal framework; privacy and personal data protection; authentication, disclaimer and integrity of data; intellectual property protection; terms and conditions of selling; claim and litigation resolution; publicity regulation; business availability; minors’ protection;

management and update of contents; Ergonomics, navigation and design; and accessibility to citizens with special needs. Some of these themes have mandatory rules to be complied.

PACE may conduct non-scheduled audits. The deployment of these audits can be random but are usually consequence of a complaint. A serious non-compliance that is not promptly solved may lead to the cancellation of the contract between PACE and the company, which would no longer be able to be part of the programme.

Through the principles of the Trustmark scheme (principles of resolution of conflicts) the adherents to the scheme guarantee that approved businesses possess a system of collecting and dealing with complaints to be fair, effective, confidential, quick and easy to use.

**Contact:**

ACEP

TagusPark

Edifício Inovação I, Sala 212 A

2740 257 OEIRAS

Portugal

phone: 93 626 81 86

**Code of Conduct:** (in Portuguese)

[www.comercioelectronico.pt](http://www.comercioelectronico.pt) (under “Acreditação”)

### **6.1.16. Confianza Online, Spain**

Confianza Online’s main objectives are: 1) to increase consumers’ confidence in E-commerce with consumers and interactive advertising, 2) to provide responsible industry with a great instrument to show its ethical commitment in relation with e-commerce and interactive advertising, with the goal to obtain the necessary consumers confidence in the new media, 3) to overcome the current fragmentary legislation, and 4) to provide consumers and companies with a quick, inexpensive and efficient alternative dispute resolution system.

Confianza Online is established by The Spanish Advertising Self-regulatory Organisation (AUTOCONTROL) and the Spanish Ecommerce and Relationship Management Association (AECCEM) in collaboration with the Interactive Advertising Bureau Spain (IAB-Spain) and a number of other business associations.

The Confianza system relies on 1) an Ethical Code on E-commerce B2C and Interactive Advertising, 2) an extra-judicial dispute settlement mechanism, and 3) a Trustmark. The “Ethical Code on Ecommerce with consumers and Interactive advertising” was submitted to consultation to the Industry, Turism and Commerce Ministry, the Spanish Data Protection Agency and the Spanish Institute on Consumer Affairs and the public presentation was made in November 2002. The Ethical Code came into force in January 2003, when the system started functioning.

Confianza Online builds upon two older self-regulatory systems the “Data Protection Code on the Internet” drafted by AECCEM in 1998 and the “Ethical Code on Interactive Advertising” of AUTOCONTROL (1999). The Trustmark is carried by more than 250

websites belonging to the 140 businesses that has adhered to the system. The Trustmark is open to foreign businesses.

In order to become approved, a business must fill in a Trustmark application form. There is an initial fee, which depends on the annual turnover of the applying business and its adherence to a promoting, collaborating or participating association. Joining Confianza Online is free for companies and associations that are members of AUTOCONTROL or AECM. Businesses that are members of any of the collaborating association or participating associations benefit from a 50% discount on the annual fee. The annual fee (without discounts) ranges from €550 to €5,500.

General legal terms and data protection requirements are checked before an applicant business can become a member. The control of the application of the Ethical Code is done through an extra-judicial dispute settlement mechanism. Confianza Online has a mechanism for the application of the rules established in the Code, with the aim of complaints. This alternative dispute resolution system is based on the activity of two bodies: the Complaints Committee of AUTOCONTROL (called Jurado de la Publicidad), for all matters related to advertising through the new electronic media; and the Spanish Arbitration Council on Consumer Affairs (Junta Arbitral Nacional de Consumo), for all issues related to electronic commerce (contractual transactions) with consumers in the new media, preceded by AECM's mediation during 7 working days.

AUTOCONTROL's Complaints Committee was set up in 1996. It is fully composed of independent and prestigious experts in the fields of Law, Economy and Commercial Communications, as well as former civil servants specialised in consumer affairs and former practitioners in commercial communications. 25% of its members are appointed annually by AUTOCONTROL jointly with the National Institute on Consumers Affairs.

The Arbitration Council on Consumer Affairs depends on the National Institute on Consumers Affairs and operates under the Royal Decree 636/1993, regulating the Arbitration System on consumer affairs. A Court of arbitrators is responsible for the resolutions of Confianza Online's Ecommerce complaints. The Council issues a decision binding to both parties, the company and the consumer and has the same enforceability as a judicial sentence.

**Contact:**

CONFIANZA ONLINE  
Calle Conde de Peñalver 52, 3º D  
28006 Madrid. Spain  
[www.confianzaonline.org](http://www.confianzaonline.org)

phone: 00.34.91.309.13.47  
fax: 00.34.91.401.50.80  
e-mail: [info@confianzaonline.org](mailto:info@confianzaonline.org)

**Code of conduct:** [Spanish]

[www.confianzaonline.org/codigoetico/index.php](http://www.confianzaonline.org/codigoetico/index.php)

### **6.1.17. WebTraderUK**

WebTraderUK was developed by the Direct Marketing Association (DMA) following the withdrawal of the Which?Webtrader scheme which closed in January 2003. It was designed to encourage consumer confidence in the online shopping environment. WebTraderUK is accredited under the TrustUK scheme.<sup>92</sup> The core of the scheme is a consumer-focused Code of Practice with which online traders have to comply. The Code changes as new legislation or 'best practice' emerges. WebTraderUK has been created to increase consumer confidence when purchasing from online businesses. WebTraderUK members are entitled to display our logo on their sites, and members are also listed in the directory on the WebTraderUK site. There are approximately 200 websites under this Trustmark.

In order to become approved, the business must comply with the code of practice and send an application form by mail to WebTraderUK.<sup>93</sup> The normal application fee is €375 + VAT per website.<sup>94</sup> Compliance is ensured by 'mystery shopping' exercises, monitoring of complaints, and customer feedback mechanisms. If WebTraderUK receives reports that an approved business is not complying with the code of conduct, it will investigate and, if a breach is apparent, will ask the business to put things right. If they do not, the approval may be withdrawn.

**Contact:**

WebTraderUK  
18a King Street  
Maidenhead, SL6 1EF

phone: 01628 641936

fax: 01628 637112

e-mail: [admin@WebTraderUK.org.uk](mailto:admin@WebTraderUK.org.uk)

**Code of conduct:**

[www.webtraderuk.org.uk/content/code1.asp](http://www.webtraderuk.org.uk/content/code1.asp)

### **6.1.18. Web Trader, several countries**

Initially, it should be noted that this scheme has seized. The Web Trader scheme was a certification system for businesses that want to sell to consumers through the Internet. It was launched in 1999 by different consumers organisations, but was stopped in most of participating countries after a few years after. The aim of the Web Trader scheme was to improve the confidence of consumers in electronic commerce. At the end of the project there were more than 2000 businesses, mainly in United Kingdom. The Trustmark was funded by the European Commission and established by a group of consumer organisations:

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92 See 3.2.4.

93 See [www.webtraderuk.org.uk/content/guide1.asp](http://www.webtraderuk.org.uk/content/guide1.asp).

94 During a current launch period this is reduced to £250 + VAT (Total £293.75). Also, during the launch period, multiple websites may be registered for this fee for the first year only. In subsequent years, a small additional fee will be applied for multiple websites.

- Consumer's Association (Which?) (United Kingdom)
- Consumentenbond (the Netherlands)
- CLCV / Testé pour vous (France)
- CCA / Altro Consumo (Italy)
- OCU / Compra Maestra (Spain)
- DECO / Proteste (Portugal)
- Test-Achats/Test-Aankoop (Belgium)

The scheme was open to businesses complying with the Web Trader Code if: 1) the trader was established in the country where the consumer organisation is established and/or 2) the trader had set up a specific site destined at consumers in the country where the organisation is established.

Applications were made on-line by the applicant completing the form on the Web Trader Site of each organisation. Due to the financing by the European Commission, there were no fees involved. A check of the availability and legal terms of the website was checked in the approval process, in order to establish conformity with the code of conduct. A system of recurrent control was decided, but never implemented. Upon complaints, the reaction was to check the site and to contact the business to solve the problem. The trustmark could be withdrawn in case of persisting non-compliance. It was done at least in one case in UK.

## 6.2. Contacted Trustmarks

	Trustmarks	website	e-mail
<b>Austria</b>	Guetezeichen	www.euro-label.com	office@oiat.at
<b>Belgium</b>	Becommerce	www.becommerce.be	patrick@bdma.be
	Web Trader	-	fdomont@test-achats.be
<b>Czech Republic</b>	Certified shops	apek.cz	info@apek.cz
	spotrebitele	www.spotrebitele.info/audit	reisinger@spotrebitele.info
<b>Cyprus</b>	NONE		
<b>Denmark</b>	e-mærket	www.e-handelsfonden	post@e-handelsfonden.dk
<b>Estonia</b>	NONE		
<b>Finland</b>	NONE		
<b>France</b>	Labelsite	www.labelsite.org	contact@fevad.com
	Fia-net	fia-net.com	[form]
<b>Germany</b>	trustedshops	www.trustedshops.de	foehlich@trustedshops.de
	IPS	www.datenschutz-nord.de	ostutz@datenschutz-nord.de
	TÜV Süd	www.safer-shopping.de	rainer.seidlitz@tuev-sued.de
	EHI Euro-Label	www.euro-label.com	scharmacher@shopinfo.net info@versandhandel.org
	EHI bvH Label (do)	www.shopinfo.net	scharmacher@shopinfo.net
<b>Greece</b>	Epam	-	epam@enepam.gr

	Trustmarks	website	e-mail
<b>Hungary</b>	eQ recommendation	-	iroda@ivsz.hu and others
<b>Iceland</b>	NONE		
<b>Ireland</b>	EIQA W-Mark	www.eiqa.com	afallon@eiqa.com
	Segala Trustmark	www.segala.com	andrew@segala.com
<b>Italy</b>	NO RESPONSE	www.euro-label.org	euro-label@confcommercio.it
<b>Latvia</b>	NONE		
<b>Lithuania</b>	NONE		
<b>Luxembourg</b>	e-commerce certified	www.e-certification.lu	christiane.bram@cdm.lu and more
<b>Malta</b>	NONE (in process)		isabelle.bonello@gov.mt
<b>The Netherlands</b>	Thuiswinkel Waarborg	www.thuiswinkel.org	info@thuiswinkel.org
<b>Norway</b>	NSAFE	www.nsafe.no	post@nsafe.no
	DNV	www.dnv.com/certification	[form]
<b>Poland</b>	Euro-label	www.euro-label.com	zbyszko.krojenka@ilim.poznan.pl
	Trusted Store	www.sklepy24.pl	info@sklepy24.pl
<b>Portugal</b>	Web Trader	www.deco.pt	decolx@deco.pt
	PACE	html.portugalacep.org	[form]
<b>Slovakia</b>	NONE		
<b>Slovenia</b>	NONE		
<b>Spain</b>	Confianza Online	www.confianzaonline.org	info@confianzaonline.org
	ATIENDES	www.atiendes.es (not found)	buenaspracticas@aenor.es
	AENOR	www.aenor-e.com	-
	AGACE	www.agace.com	agace@agace.org
	IQUA	www.iqua.net	iqua@iqua.net
	EWEB	www.ayudaconsumidores.info	-
<b>Sweden</b>	NONE		
<b>United Kingdom</b>	Trustmark	www.trustmark.org.uk	enquiries@trustmark.org.uk
	WebtraderUK	www.webtraderuk.org.uk	admin@WebTraderUK.org.uk

## 6.3. Respondents

### 6.3.1. National contacts

#### **Austria**

Georg Mentschl, Europäisches Verbraucherzentrum, Wien

#### **Belgium**

Attaché – Juriste, Fabrice DE PATOUL, SPF Economie

Edith Appelmans, European Consumer Centre Belgium

**Czech Republic**

Karel Pavlík

Zdeněk Sváta, European Consumer Centre Prague

**Cyprus**

Elena Papachristoforou, Legal Advisor ECC Cyprus

**Denmark**

Jan Trzaskowski, Copenhagen Business School

**Estonia**

Executive Officer Mario Sõrm, Internal Market Department

Director Kristina Vaksmaa, European Consumer Centre of Estonia

**Finland**

Senior legal adviser Satu Pohjola, The Finnish Consumer Agency

Emilia Eskelilä, Kuluttajat-Konsumenterna

**France**

Dr. Martine Mérigeau and Bianca Schulz, European Consumer Centre France

**Germany**

Legal Adviser Susanna Münstermann, Euro-Info-Verbraucher e. V.

**Greece**

Director Alexandra Drakatou, European Consumer Centre of Greece

**Hungary**

Karoly Solymar and Ferenc Szohar, Hungarian e-commerce national contact points

Director György Morvay, European Consumer Centre Hungary

**Iceland**

Íris Ösp Ingjaldsdóttir, ECC Iceland

**Ireland**

Claire Gordon, Department of Enterprise, Trade and Employment

Manager Tina Leonard, European Consumer Centre Dublin,

**Italy**

Ciamarella Antonella, GD Market Harmonization and Consumers Protection

**Latvia**

Manager Laine Vītola, European Consumer Centre of Latvia

I.Kanela, Consumer Rights Protection Center

**Lithuania**

Rytis Kalinauskas, Government of the Republic of Lithuania  
Migle Kazlauskaite, ECC Lithuania

**Luxembourg**

Raymond Faber, Ministry of Economy and Foreign Trade  
Directrice Karin Basenach, ECC Luxemburg

**Malta**

Celia Falzon and Monique Brinciau, MCA  
Director Barbara Buttigieg, Information & Consumer Affairs

**The Netherlands**

Adviseur Marjolijn Durinck, ECP.NL  
Director Patricia de Bont, Europees Consumenten Centrum

**Norway**

Legal advisor Paal Bjønness, Consumer Council of Norway

**Poland**

Piotr Stanczak, European Consumer Centre Poland

**Portugal**

Filipe Prista Lucas, ICP-ANACOM  
Manuel Fidalgo, European Consumer Centre-Portugal

**Slovakia**

Lawyer Sona Cernochova, European Consumer Centre in Slovakia

**Slovenia**

Klemen Tičar  
Boštjan Krisper, Slovene Consumers' Association

**Spain**

Adviser Jorge Cancio Meliá, Ministry of Industry, Trade and Tourism

**Sweden**

Fredrik Nordquist, Konsument Europa

**United Kingdom**

Ruth Bamford, The Citizens Advice service

### **6.3.2. Trustmark contacts**

**SOAP, Czech Republic**

Martin Reisinger, Consumer Defence Association of the Czech Republic

**The E-Mark, Denmark**

Director Lars Schmidt Larsen, E-handelsfonden

**Trusted Shops, Germany**

General Counsel Carsten Föhlich, Trusted Shops GmbH

**Safer Shopping, Germany**

Rainer Seidlitz, TÜV SÜD Management Service GmbH

**EHI Euro-Label, Germany**

Thorsten Scharmacher, EHI Retail Institute

**eQ recommendation, Hungary**

Director György Morvay, European Consumer Centre Hungary

**W-mark, Ireland**

Managing Director Paul O'Grady, EIQA

**Segala, Ireland**

Marketing Director Andrew Gerrard, Segala

**Luxembourg e-Commerce Certified**

Jean-Christophe Burkel, Chambre de Commerce

**Euro-Label, Malta**

Bonello Isabelle and Marcelle Attard, Ministry for Investment Industry & IT

**Thuiswinkel Waarborg, The Netherlands**

Menno van der Put, Nederlandse Thuiswinkel Organisatie

**Nsafe, Norway**

Prosjektleder August Nilssen, Kompetansenettverket eforum i Standard Norge

**EBtrust, Norway**

Erik Pahle, DNV Industry

**E-Commerce ILiM Certyfikat, Poland**

Zbyszko Krojenka, Jednostki Certyfikującej w Instytucie Logistyki i Magazynowania

**PACE, Portugal**

Secretary-general Gonçalo Carvalhinhos, ACEP Portugal

**Confianza Online, Spain**

Marta Ayed, Secretaría Confianza Online

**Webtrader, several countries**

Françoise Domont, Test Achats, Belgium

## 6.4. The questionnaire

### 1. GENERAL QUESTIONS

1.1. What is the purpose of the Trustmark scheme?

1.2. In which year was the Trustmark launched?

1.3. How many businesses are currently carrying the Trustmark?

1.4. Who are involved in/behind the Trustmark scheme

Public authorities; names: \_\_\_\_\_

Business organisations; names: \_\_\_\_\_

Consumer organisations; names: \_\_\_\_\_

Other [type and name]: \_\_\_\_\_

1.5. Can a foreign business become a member of the Trustmark scheme?

### 2. PROCEDURAL QUESTIONS

2.1. How can a business apply to become a member of the Trustmark scheme? [How and where is the application sent?]

2.2. What does it cost to become / be a member? [application, initial and recurrent fees]

2.3. Is there some kind of compliance review before a business is accepted as a member? [What is checked?]

2.4. Is there some sort of recurrent control of compliance, and what are the consequences of non-compliance? [How is the control carried out? How often and how?]

2.5. How does your organisation react to complaints concerning non-compliance by a member?

### 3. SUBSTANTIVE QUESTIONS

3.1. Is it expressly required to comply with national law, including EU law, in order to adhere to the Trustmark?

3.2. Is it required to comply with the decisions of certain alternative dispute resolution

mechanisms? [If yes, please elaborate]

3.3 Are there any money-back guarantees (guarantees issued by the Trustmark scheme or third parties)? [If yes, please elaborate]

3.4. Have you considered to become part of the Euro-Label scheme ([www.euro-label.com](http://www.euro-label.com))? [Please elaborate if possible]

3.5. Which of the following elements are found in the code of conduct? [The questions follow the European Code of Conduct which can be found at [www.euro-label.com](http://www.euro-label.com)]:

General requirement to state information about name, address, VAT no., contact details etc.

Requirement to inform about the collection and handling of personal data

Requirement to provide access to information concerning the handling of personal data

Requirement to respect the consumer's right to refuse transfer of personal data and reception of unsolicited commercial communications

Obligations to provide pre-contractual information about products, which are offered for sale

Obligations to provide pre-contractual information about prices, taxes, delivery costs etc.

Obligations to provide pre-contractual information about terms of contract (applicable law, out-of-court settlement, right of withdrawal etc.)

Obligations to provide pre-contractual information about the level of security (encryption etc.)

Obligations to provide information about availability of the products

Obligations to provide information about the ordering procedure/process

Requirement to acknowledge the receipt of an order electronically

Obligation to perform the contract within a certain time limit (please specify: \_\_\_\_\_)

Rules on how to offer substitute product in case of unavailability

Obligation to offer right of withdrawal (how many days/working days? \_\_\_\_\_)

Rules on the reimbursement of payments made by the customer in case of withdrawal

Specification of time limits concerning reimbursement? (please specify: \_\_\_\_\_)

Obligation to provide information about guarantees and after-sales service (post-contract)

A ban on the sending of unsolicited commercial communication (please elaborate: \_\_\_\_\_)

Requirements to inform about how to file a complaint and possible out-of-court settlement

A ban on the collection of personal data from children (please specify: \_\_\_\_\_)

A ban on entering contracts knowingly with children (please specify: \_\_\_\_\_)

other rules or subjects covered: \_\_\_\_\_

...

## 6.5. The European Code of Conduct (Euro-Label)

### Article 1 Information concerning the company

Every company engaged in on-line commerce of goods and services, whether as a main or ancillary activity, must furnish the following information which has to be easily, directly and permanently accessible to potential customers visiting its website :

- name of the company
- registered office
- information on how and where the company can be contacted immediately, and for directly and effectively communicating with it, including its e-mail address, opening hours and telephone number(s)
- name of the register and of the company's registration number, should the company be registered in a commercial or any other public register
- VAT identification number as defined in Article (22)1 of Directive 77/388/EEC as amended by Directive 98/80EC should the activities of the company be subject to Value Added Tax, or to any other identification number considered equivalent. In case of modification, the company must update the information provided.
- The elements of identification and the contact details of the competent supervisory authority, if the activity performed is subject to concession, licence or authorisation.

### Article 2 Privacy

a) Information concerning the protection of personal data

1) Collection, processing and use of data by the company

Personal data which is subject to any form of automated processing shall be:

- obtained fairly and within the limitations set by European and national legal and ethical provisions
- stored for specified legitimate purposes within the scope of the company's

- business activities and not be used in any way incompatible with those purposes
- processed appropriately, relevantly and with respect of the required confidentiality and specified wishes of consumers concerning the use of their personal data
- temporary stored and kept up to date and no longer than required within the company's commercial activities and according to administrative obligations.

## 2) Right of information, access and rectification

The company must be able to provide to those whose personal data has been collected, any information requested concerning the processing of such data and the means to access and rectify them.

## 3) Right to refuse

The customer shall have the opportunity to object to the communication to third parties of data concerning him.

The company shall respect the customer's wish not to receive commercial mail, telephone calls, e-mail and the like, irrespective whether such a wish was directly expressed to the company or through a national Preference Service or equivalent body in the country of customer.

## b) confidentiality of the communications

The company ensures that the service provider which gains access or stores information on a client's terminal equipment has given prior clear information about the purpose of any such activities to the client and has also given him the opportunity to refuse such activities.

The company ensures that the service provider erases clients' traffic data when they are no longer needed for the transmission of a communication. The service provider may only store traffic data beyond this point only if it is necessary for billing purposes.

## **Article 3 Pre-contractual information concerning the product(s) on sale**

### a) General Conditions

Prior to conclusion of contract, the company shall make available to potential customers visiting the website the following information concerning the product(s) and/or ancillary service(s) on sale, whose modifications, if any, will be updated by the company itself:

- main qualitative (denomination, character, etc.) and quantitative (dimensions, weight, quantity, images if available, etc.) features including - if applicable - information on potential hazards related with the product
- available guarantees and after-sales service (see Article 9)
- price, including all taxes, levies and customs duties if any
- period for which the offer or the price is valid and - if applicable - the geographical coverage of the offer

- exact amount of delivery costs, if applicable
- legislation applicable to the contract
- all available languages to conclude a contract- the access mode to the present code of conduct
- ways and means for dealing with potential litigation and, in particular, the existence of out-of-court procedures accessible to the customer in case of unsuccessful personal agreement, if available (see Article 11)
- conditions of payment, as follows :
  - for on-line payments which must place under secured conditions, clearly indicate which system(s) is/are used - in case of sale on credit, the general conditions of the latter, its potential limitations and ancillary costs
  - conditions, means of delivery and indication of the agreed time-span (see Article 5)
- conditions of cancellation and/or renewal of contract, when the duration of contract exceeds one year or is indefinite;
- existence of a right of withdrawal in the framework of consumer contracts, as well as description of the conditions and ways and means to access such a right (see Article 7)
- minimum duration of the contract in case of contracts for the supply of goods or services, both of continued or periodical execution.

#### b) Specific conditions

- Restrictions concerning the importation/exportation/use of products put on sale: the company shall clearly inform visitors of the website of any legal restrictions existing in the country where the company is established, concerning the utilisation and/or exportation of products put on sale. However, it is up to the customer to obtain from his own authorities information on any legal restrictions concerning the utilisation and/or importation of the product the customer intends to order.
- Substitute products: If the company is unable to furnish the product(s) ordered and wishes to offer a substitute product to the customer, such a possibility shall be clearly mentioned at the pre-contractual stage of the transaction. To exercise this right, the company is subject to the conditions stipulated in Article 6.
- Should the company activity be subject to authorisation, or the object of the supply be given on the basis of a licence contract for use, the company shall indicate the contract details.

### **Article 4 Procedure for the conclusion of on-line contracts**

#### a) Preliminary information

At all times during the on-line transaction, the customer must be able to access the information laid down in Article 3.

Furthermore, the customer must be able to access clear and detailed information concerning :

- availability of product, except in the case of foodstuffs, beverages or other household convenience goods. If availability requires confirmation by the company, a specific message shall be addressed to the customer without delay, by any available means of communication
- the possibility for the customer to obtain a substitute product, as laid down in Article 6
- ways and means for the customer to reach the company's Customer Service which is in charge of dealing with claims

#### b) Ordering process

Before starting the ordering process, it is necessary to provide the customer with the information related to the different technical phases to be followed to conclude the contract.

At all times during the transaction and prior to definitive confirmation of contract, the customer must be able to correct potential mistakes. To this end, the company undertakes to provide the customer with a validation system which enables him to check and confirm his agreement on the precise content of the order before the final confirmation.

The agreement on contents of the order shall include a summary of the order, of the price to be paid and - if applicable (see art. 4 comma a) - state the unavailability of one or several products. The customer must be able to reproduce and/or save this agreement.

The customer has, moreover, to be informed on how the contract will be placed on file and on the access mode.

#### c) Ordering

After confirmation of the order as stipulated under b) above, the company shall, without delay and by electronic means, acknowledge receipt of the order. The order shall be deemed to be placed when it can be assumed that the customer has been able to have access by electronic means to the said acknowledgement of receipt as defined below.

The acknowledgement of receipt shall contain a recapitulation of the order (essential features of the good or service prices and ways and means of performing the order - delivery costs and applicable charges) and - if applicable - state the unavailability of one or several products. Furthermore, it shall repeat the information previously made available to the customer concerning

- conditions and ways and means of exerting the right to withdraw,
- ways and means for reaching the company's Customer Service
- conditions of cancellation of contract by the customer, when duration of contract exceeds one year or is indefinite.

At the latest at the moment of delivery, the customer must be able to receive a hard copy of the information contained in the electronic acknowledgement of receipt and/or to

reproduce and/or to save such information on any durable medium accessible to him.

#### **Article 5 Performance of contract**

The company agrees to perform the order within the agreed time-span or, for lack of, within a time-span not over 30 days, starting from the day the customer transmitted the order to the company.

Should the company realise:

- that the originally fixed time-span to carry out the order cannot be complied with or
- that one or several products (other than foodstuffs, beverages or other household convenience goods) have become unavailable during handling of the order, it shall clearly propose, before the originally fixed time-span has lapsed, a new date for delivery, including a proposal for the customer to withdraw and/or to obtain reimbursement.

Should it become partly or totally impossible for the company to perform because of unavailability of one or several products ordered, the customer shall be informed of such unavailability and be reimbursed of all sums he has already paid, as soon as possible and, in any event, at the latest within 30 days of the date on which he was to be due to have received the product.

The company shall deliver the product(s) in compliance with the order. To be considered compliant with the order, the product(s) must:

- correspond to the description shown on the company's website
- be suited for the use to which it is normally and commonly intended according to its nature, or for which the customer has informed the company that he intends to use it
- present the characteristics normally featured by a product of the same type and which the customer may reasonably expect considering the nature of the product and the information concerning it which was made public by the company, notably through advertising and labelling. If the product is not in compliance with the order, the customer may resort to the rights which he is granted in the guarantee (see Article 9).

Furthermore, companies adhering to the present Code of Conduct will not deliver any unsolicited product to the customer for which payment is requested.

#### **Article 6 Substitute products**

Should a company, in compliance with legislation of the country where it is established and taking into account the nature of the product, intend to offer to the customer a product in exchange of the ordered product which is unavailable, the customer shall be informed of this intention prior to conclusion of contract, as stipulated in article 3 b). The company shall deliver a substitute product which in terms of value for money is equivalent to the one ordered and if the customer is not satisfied with the substitute product, the company shall bear all charges associated with the return of the item (see Article 8).

### **Article 7 Right of withdrawal**

The customer has the right to withdraw from a consumer contract without any indication of reasons and without the imposition of a penalty within at least seven working days, counted from the date the product is delivered to the customer. In case of service supply, the withdrawal period starts from the conclusion of the contract.

Should the company have failed to supply the information stipulated in article 3 a), last indent and article 4 c), para 2, the right of withdrawal may be exercised by the customer during at least three months from the date the product is delivered or, in case of service supply, from the conclusion of the contract. Should the company have supplied the lacking information during those three months, the minimum time-span of seven working days comes into force, counted from the date the information was delivered to the customer.

The company cannot unilaterally curtail the right of withdrawal, except as stipulated in article 6, para 3 of Directive 97/7. As a consequence and unless the parties have agreed otherwise, the consumer may not exercise the right of withdrawal provided for in the preceding paragraph, notably in respect of contracts:

- for the provision of goods made to the consumer's specifications or clearly personalised or which, by reason of their nature, cannot be returned or are liable to deteriorate or expire rapidly. Among others, fresh and/or perishable goods as well as deep-frozen products fall into this category.
- for the supply of audio or video recordings or computer software which were unsealed by the consumer,
- for the supply of newspapers, periodicals and magazines,
- for gaming and lottery services;
- for the supply of goods or services, whose price is linked to the financial market rate fluctuations, which the company cannot control.

### **Article 8 "Money-back guarantee"**

Should the customer make use of the right of withdrawal, the companies adhering to the present Code of Conduct shall under all circumstances reimburse the customer of all payments made, free of charge. The only charges paid by the customer may be those directly connected with the return of the goods. However, any charges connected with the return of substitute products, which have been delivered according to article 6, are borne by the company.

The companies adhering to the present Code of Conduct shall proceed to the reimbursement as soon as possible and, in any event, within 30 days counted from the date the returned product was received by the company.

### **Article 9 Guarantees / After-Sales Service**

Wherever in the present Code reference is made to this Article, the respective information to be provided by the company to the customer shall, in clear, simple and understandable terms mention:

- the customer's statutory rights as stipulated in the legislation of the country

- where the company is established
- the main elements for resorting to the guarantee: duration, geographical coverage and other relevant information on exercising the guarantee
  - the contact details for the after-sales service provider (address, telephone and fax number, e-mail address or any other option).

#### **Article 10 Unsolicited Commercial communication**

The companies adhering to the present Code shall not send commercial communications by fax or e-mail or other electronic messaging systems, unless the prior consent of the addressee has been obtained.

When contact details of a customer have been obtained in the context of a sale, the company may use them for a subsequent direct marketing under condition that:

- it has been made clear to the customer that his data may be used for direct marketing
- he is offered the right to object, and each subsequent direct marketing message sent to the customer shall offer him the possibility to stop further messages.

#### **Article 11 Handling of complaints and out-of-court settlement of litigation**

The company shall provide the customer with detailed information on the handling of complaints and on out-of-court settlement of litigation, if available, in the language that the customer has chosen for consulting the website and for ordering.

##### a) Handling of complaints

In case of complaint, the customer must first apply to the Customer Service made available to him by the company. The company shall handle the complaint within 10 calendar days, counted from the day it was received by the company.

Should the company be unable to find a solution during this period, it shall inform the customer accordingly and indicate the time-span necessary for dealing definitively with the complaint. This time-span shall not exceed 30 days.

##### b) EURO-LABEL complaint form

To facilitate the relationship between the customer and the company and/or the customer and the body responsible for out-of-court settlement of litigation, the company shall provide access to the Euro-Label complaint form.

c) If the complaint handling with the customer service of the company fails, the consumer may submit a complaint to the national member who certified the shop. The time span to handle this complaint will not exceed ten calendar days from the day the certification body received the complaint.

##### d) Out-of-court settlement of litigation

Should the customer not be satisfied with the reply or the arrangement proposed by the company or by the certification body, the customer is free to bring the complaint before

the body indicated by the certification body, which is in charge of settling litigation out of court.

e) Cross-border litigation

Should the customer resort to a settlement on the basis of personal agreement and/or out-of-court action, this does not deprive him of the right to access the competent legal authorities according to the international Conventions in force.

**Article 12 Logo**

The National Organisation adhering to the present Code of Conduct shall

- control that the participating national companies and/or affiliated bodies comply with the rules in the present Code of Conduct
- be able to stipulate at the level of the national participating companies and/or affiliated bodies, in the interest of supplementary protection of their customers, stricter rules than those laid down in the present Code of Conduct
- be the sole bodies authorised to utilise the Logo (XX) and the complaint form (YY) and to allow the utilisation of these by the participating national companies and/or affiliated bodies.

**Article 13 Children protection and human dignity respect**

The Company adhering to the present Code shall:

- refrain from collecting any personal data of children - avoid to instigate their participation in, or disseminate information in view of gambling activities;
- refuse to knowingly accepting orders for goods or services from children not authorized by adults;
- avoid to introduce links to other web sites considered misleading, fraudulent, illegal, or with content for adults;
- respect the bona fide and loyalty principles for the commercial transactions, in particular with respect to the weaker categories of consumers;
- refrain to use the intellectual property of third parties in a misleading way;
- guarantee that the advertising on the web site is clearly identifiable and not deceptive.



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European Consumer Centre Denmark, November 2006