



E-Business Legal Issues

July 2007

This fact sheet is a quick summary of the laws that are likely to affect your e-Business.

As law is complex, our E-Business Advisers strongly recommend that you consult a legal professional as well as discuss these issues with your web site designer.

Please note, this Fact Sheet does not constitute legal advice.

1. Why is it important to comply?

If you have spent money and time developing a good web site to support the strategy of your business, it makes sense to make sure that it complies with relevant UK laws.

There are three main reasons for this:

- Your customers are more likely to buy, (either directly from your web site if you sell online, or from you if your web site is used for marketing purposes), if the site is legally compliant.
- It's the law! You could get sued if you don't,
- You could then suffer adverse publicity, which could have a very negative impact on your business offline as well as online.

2. Which Laws are most relevant?

There are four pieces of regulation that are particularly relevant to UK businesses:

- The Disability Discrimination Act 1995
- The Data Protection Act 1998

- The Consumer Protection (Distance Selling) Regulations 2000
- The Electronic Commerce (EC Directive) Regulations 2002 (known as the "E-Commerce Directive")

Complying with these regulations is normally quite straightforward and not particularly costly: certainly much less costly than the potential costs of non compliance!

We have Fact Sheets available in this series which cover all of them in more detail.

The Relevant Acts:

3. The Disability Discrimination Act 1995

This Act provides, amongst many other elements, that all organisations that offer goods and services on the Web have a legally-enforceable duty to make their web sites accessible to disabled people.

This includes people with disabilities such as vision impairment, but also includes other issues such as people with dyslexia.

4. The Data Protection Act 1998

If you collect and process information about people, (e.g. customers, web site visitors etc - known as "Data Subjects" under the Act), such as their names, addresses, phone numbers etc then this Act is likely to apply to your firm.

You need to:

- Register with the Information Commissioner, who oversees the Data Protection register



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- State what you will do with the data (and abide by that statement)
- Generally, not export the data you've collected outside the European Union without the "Data Subjects" permission
- Keep the data held secure, reveal it and delete it if requested by the "Data Subjects".

The registration process is very straightforward, and costs £35 per year (2005 price).

5. The Consumer Protection (Distance Selling) Regulations 2000

If you sell online, by mail order or by telephone to consumers, then these Regulations are likely to apply to you. However, they are not applicable to business to business transactions.

You need to:

- Provide clear information about what you are offering before purchase, without extras like tax and postage after the consumer has decided to purchase.
- Be clear about what your postage charges are, and if your prices include VAT
- Provide a written confirmation of order following purchase - this can be via email
- Be aware that on most goods, (but excluding e.g. perishable items or items which could be copied, such as CDs), that there is a "cooling off" period of 7 working days.
- Tell your customers of their right to cancel (without charge, other than return postage).

6. The Electronic Commerce (EC Directive) Regulations 2002

If your firm operates online using the web or communicates using email, this is very likely to apply to you. This Directive applies to both business to business and business to consumer relationships.

You need to:

- Display the name of your business and address, (not just a PO Box number) and contact information such as phone number and email address
- Give your company registration number or proprietor's name, VAT number if you are VAT registered,
- Refer to trade or professional recognition schemes, (with registration number, if applicable - for example, the CORGI scheme for gas installers.)
- Give clear information on price, taxes and delivery terms to buyers.
- Clearly show your Terms and Conditions, and acknowledge orders - this can be via email.

7. Useful links:

www.businesslink.gov.uk - national Business Link web site

Also - see the Fact Sheets on:

"Data Protection Act 1998"

"Disability Discrimination Act and your Web site"

"E-Commerce Directive"

"Consumer Protection - Distance Selling Regulations"