

# TACD

TRANS ATLANTIC  
CONSUMER DIALOGUE

DIALOGUE TRANSATLANTIQUE  
DES CONSOMMATEURS

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## **Resolution on Protecting Consumers From Fraud and Serious Deception Across Borders**

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The Internet and advances in telecommunications technology are expanding the marketplace, enabling consumers to purchase goods and services from individuals and businesses anywhere in the world. As the Trans Atlantic Consumer Dialogue (TACD) stated in its resolution about the core consumer protection principles in electronic commerce, "The global nature and unique characteristics of electronic commerce require governments and businesses to consider new approaches to consumer protection. The immediacy of transactions, the remoteness of buyer and seller, and the difficulty of authenticating the parties challenge attempts to tailor consumer protections enacted for the 'physical marketplace' to fit the new 'virtual marketplace'." <sup>1</sup>

These characteristics of the "virtual marketplace" present opportunities to individuals and businesses to commit fraud and serious deception across borders against consumers, robbing them from a distance with impunity because of legal and logistical barriers that make it difficult to stop such practices and seek redress. The resulting damage to consumer confidence in electronic commerce and other forms of cross-border trade is compounded if governments fail to protect consumers from fraud and serious deception or to assist victims in obtaining redress.

Therefore, TACD urges the governments of the United States (US) and the European Union (EU) to support efforts by the Organization for Economic Cooperation and Development (OECD) to formulate guidelines that will encourage member countries to:

1. Develop and utilize systems to alert each other and share information about fraud and serious deception of a cross-border nature.

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<sup>1</sup>Ecom-10-99 <http://www.tacd.org/docs/?id=39>

2. Make cooperative arrangements to assist each other when cross-border fraud or serious deception involves consumers, perpetrators, facilities, or financial assets located within their countries.
3. Consider changes in their laws that would make it easier to take effective action against perpetrators of cross-border fraud and serious deception located in their countries, victimizing consumers in their countries, using facilities in their countries, or having financial assets in their countries, and to provide assistance to consumer protection authorities in other countries.
4. Provide effective methods of obtaining redress for victims of cross-border fraud and serious deception.
5. Work with consumer organizations and businesses to help educate the public about cross-border fraud and serious deception and to encourage appropriate referrals of information about such practices to consumer protection authorities.

Furthermore, recognizing that cross-border fraud and serious deception is a global threat, the TACD urges the US and EU governments to actively promote the implementation of OECD guidelines in this regard to countries around the world so that consumers everywhere will be protected from such practices in the "virtual marketplace."