

## [Online Shopping Tips](#) [1]

Copyright © 1994 - 2019  
Privacy Rights Clearinghouse  
Posted Dec 01 2000  
Revised Nov 07 2018

1. [Introduction](#)
2. [Look for Secure Websites](#)
3. [Read the Privacy Policy](#)
4. [The Safest Way to Pay Online](#)
5. [Be Aware of Dynamic Pricing](#)

### 1. Introduction

This guide offers advice on how to make your online shopping experiences safer. Just as shoppers should take measures to protect themselves when shopping in retail stores, online shoppers also need to take sensible precautions while shopping.

### 2. Look for Secure Websites

How can you tell if a website is secure? Secure sites use encryption technology to transfer information from your computer to the online merchant's computer. Encryption scrambles the information you send, such as your credit card number, in order to prevent others from seeing it while in transit. The only people who can unscramble the code are those with legitimate access privileges. Here's how you can tell when you are dealing with a secure site:

- If you look at the top of your screen where the website address is displayed, you should see https://. The "s" that is displayed after "http" indicates that website is secure. Often, you do not see the "s" until you actually move to the order page on the website.
- Another way to determine if a website is secure is to look for a closed padlock displayed on the address bar of your screen. If that lock is open, you should assume it is not a secure site.

### 3. Read the Privacy Policy

Read the merchant's "Privacy Policy." You can find out if the business intends to share your information with a third party or an affiliate. Do they require these companies to refrain from marketing to their customers? If not, you can expect to receive "spam" (unsolicited email) and even mail or phone solicitations from these companies.

You can also learn what type of information is gathered by the website, and how it is — or is not — shared with others.

However, be aware that a strong privacy policy does not guarantee that the merchant will protect your privacy forever. Policies can change. The company can file for bankruptcy and sell its customer data base. The merchant might be purchased by another company with a weaker privacy policy.

### 4. The Safest Way to Pay Online

The [safest way to shop](#) [2] online is with a credit card. In the event something goes wrong, you are protected under the federal Fair Credit Billing Act. You have the right to dispute charges on your credit card, and you can withhold payments during a creditor investigation. When it has been determined that your credit was used without authorization, you are only responsible for the first \$50 in charges. You are rarely asked to pay this charge.

Make sure your credit card is a true credit card and not a debit card. As with checks, a debit card exposes your bank account to thieves. Your checking account could be wiped out in minutes. Further, debit and ATM cards are not protected by federal law to the extent that credit cards are.

Using only one of your credit cards for online purchases can make it easier to spot fraudulent activity. Likewise, turning on text message or email alerts to notify you about any purchases can be a great way to quickly detect fraud.

Online shopping by personal check leaves you vulnerable to bank fraud. Sending a cashier's check or money order doesn't give you any protection if you have problems with the purchase.

Never pay for online purchases by using a money transfer service. You could be transferring cash to a fraudster. Scammers will ask consumers to send them payment using a money transfer service such as Western Union or MoneyGram because they can get your cash fast and it's difficult to trace. Legitimate sellers normally do not ask consumers to send payment that way. Money transfer services should only be used to send money to people that you know well, not to unknown sellers of merchandise online.

## 5. Be Aware of Dynamic Pricing

Some online retailers use dynamic pricing or [personalized pricing](#) [3] to engage in price discrimination by charging different prices to different consumers for identical goods or services. When you purchase goods or services online, you may be paying a higher or lower price than another online customer buying the same item from the same site at the same time. While online shopping enables consumers to easily compare prices, it also allows businesses to collect detailed information about a customer's purchasing history and preferences. Online stores can use that information to customize the prices they charge you.

Amazon.com began experimenting with dynamic pricing in 2000. Different customers were offered different prices for the same product. Depending upon a consumer's purchase history and other information, Amazon might offer different prices matched to a customer's perceived willingness to pay a higher or lower price than the standard price.

While dynamic pricing has existed for a long time for time-sensitive products such as airline tickets, hotel room reservations, and rental cars, it's difficult to justify the use of dynamic pricing for goods and services that are not of a time-sensitive nature.

Online merchants can easily implement dynamic pricing by placing cookies on a customer's computer which will track the user's past interactions with the site. By using this information, sites can customize their interactions based on your past activities. Online stores can read the cookies on your browser to determine what products or services you searched for and bought and how much you paid for them. This information helps them to predict how much you might be willing to pay for a product or service.

Some online stores may also consider other factors when determining pricing. For example, merchants might charge higher prices to customers who make repeated returns or demand extra service.

There are several ways that you may be able to defeat dynamic pricing. Obviously, do not log in to a site before you obtain a price quote. Be sure to clear the cookies from your browser before you visit a site. Utilize price comparison sites that check prices from multiple vendors. Finally, if you do log in to a site, try leaving items in your shopping cart for a few days, to see if the merchant offers any discounts.

---

**Source URL (modified on May 3, 2019):** <https://www.privacyrights.org/consumer-guides/online-shopping-tips>

### Links

[1] <https://www.privacyrights.org/consumer-guides/online-shopping-tips>

[2] <https://www.privacyrights.org/consumer-guides/privacy-when-you-pay-credit-debit-cash-and-more>

[3] <https://hbr.org/2017/10/how-retailers-use-personalized-prices-to-test-what-youre-willing-to-pay>