

## E-COMMERCE IN THE EU: NEW CONSUMERS' RIGHTS DIRECTIVE AND E-MERCHANTS

St. Gallen, Switzerland, December, 1<sup>st</sup> 2011 – The European Union (EU), in its aim to achieve harmonization of all 27 markets, build up consumer confidence, promote cross-border trade within its territory and equally protect all European consumers, has recently approved a revision of the Consumers Right Directive, first passed back in May 1997. Drafted by the European Commission and passed by the Parliament and Council, **the New Consumers' Rights Directive** is binding on all Member States, which should implement it before the end of 2013. Member States are consequently requested to transpose their respective national legislations to comply with the Directive.

During the months prior to its final approval, stakeholders in the e-commerce industry were swift to react to some of the articles proposed in the early draft. Admittedly, some of these articles could create an initial burden to those small and very small e-merchants, who saw in the revision a lack of balance between consumers' rights and online businesses' interests. Reactions from the industry aside, **one of the main purposes of this revised Directive is to propel cross border sales, which are still under represented in most of the e-merchants final figures.** Indeed, statistics show that e-shoppers are increasingly willing to purchase from web stores outside their countries, if and especially when they cannot find what they are looking for on their domestic market or they find it at a more convenient price. It is estimated that 150 million Europeans shop online, but only 30 million make cross-border purchases.

The cornerstone of e-commerce is the ability to reach anyone anywhere, and one of its core advantages compared to traditional shops is that online commerce enables customers to compare prices, conditions and offers in real time from a variety of companies through a range of channels. This is why at CashRun we believe that this revised Directive could bring interesting opportunities in the long run for e-merchants of all sizes and industries, especially if they are willing to increase their cross-border sales and increment business presence in Europe while staying protected from online fraud.

In order to successfully convert cross-border sales, web stores are encouraged to offer a selection of localized payment options to ensure customers from each and every Member State find the payment method they trust, positively influencing the purchase decision and facilitating the checkout process. Not surprisingly "convenient payment methods" rank within the top three reasons to shop online according to *The MasterCard Index of Online Shopping 2010*. Cross-border sales would significantly increase in a merchant's web shop that deploys familiar payment methods to its target as e-shoppers will identify this site as reliable and professional. With the recent actions proposed by the E-Payments Merchants Initiative (EMI), aimed at diversifying the payment scene and making secured online banking payment options more popular among European shoppers, merchants are fostered more than ever before to deploy local, secure and diverse payment methods to cater the payment needs of every potential customer.

Unfortunately, **an increase in sales often entails an increase in fraudulent orders.** Despite the advantages that cross-border sales can bring in terms of turnover and brand positioning, most online merchants are reluctant to take their sales beyond borders, alarmed mainly by the effects that fraud has on their online sales. **It is important to clarify that the risk of online fraud in domestic markets is as unavoidable as it is overseas. Online fraud nowadays is more about organized fraud schemes and patterns that repeatedly attack web stores in any market.**

Merchants are therefore advised to treat their orders as a whole, regardless of the country of origin, and to entrust their entire fraud management operations to systems that are designed and developed to combat fraud on a global basis. These systems use a wide array of detecting tools that effectively protect against any old or new fraud trend and help merchants reduce the number of fraudulent orders. Only by assessing all details involved in every order can merchants optimize the risk of online fraud, why keeping fraud management costs under control and achieving business growth.

➤ **How can CashRun help e-merchants?**

CashRun strongly believes e-merchants should focus on what they do best- making their online businesses grow. We therefore offer two innovative fraud protection and global payments solutions which help e-merchants adapt their online businesses to the new e-commerce scene in Europe.

- **[CashPay](#)**: Our global payment solution to consolidate multiple payment options and integrate them all in a merchant's website, through just one convenient interface. Furthermore, CashPay allows e-merchants to reduce exchange rate risks and costs, while ensuring faster reimbursements and simplifying funds management in their preferred currency.
- **[CashShield](#)** is the ultimate fraud management platform that allows merchants to optimize the risk per chargeback. CashShield effectively detects and filters out potentially fraudulent orders, while ensuring the market's only 100% Chargeback Protection Policy. CashShield's 200+ automated verification tests enable merchants to achieve business growth, ensuring the maximum number of genuine orders is approved.

*For additional information, please visit [www.cashrun.com](http://www.cashrun.com) or contact [marketing@cashrun.com](mailto:marketing@cashrun.com)*

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**About CashRun – [www.cashrun.com](http://www.cashrun.com)**

CashRun was established in 2007 with the objective of supporting businesses' needs for effective and affordable online payment solutions. Since establishment, CashRun has had tremendous success with industries that are sensitive towards fraud, and continues to be at the forefront for solutions centering around e-commerce. With strong global presence and partnerships, CashRun supports businesses to develop firmly their core competencies, protect as well as maximize their revenues and growth, and minimize the risks credit card fraud presents to their operations.

