



Creating Trust and Satisfaction Online: How Important Is ADR? The UK eBay Experience

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Abstract

According to the latest figures from the Interactive Media in Retail Group Index (IMRG), UK online shopping is currently growing 130 times faster than high street sales.³ Ease of access, greater customer choice and competitive pricing are some of the obvious reasons why the current generation of consumers increasingly logs on to shop. But what attributes make consumers seek out a particular online retailer? Is it prices pure and simple, brand, privacy and security guarantees, trust marks or seals, or something else entirely? The University of Edinburgh's AHRC Centre conducted an online survey assisted by focus groups and email interviews to gain insight into these questions and in particular, to explore UK consumer satisfaction with alternative dispute resolution (ADR) on one of the most frequently visited online sites in the UK, eBay.co.uk.

1. Introduction

In 1995, Pierre Omidyar conceived a vision of a free market where consumers could sell goods to other consumers without the need for a middleman. The name of this vision was, of course, eBay. From Omidyar's own first sale of a broken laser pointer for \$14 in 1995, eBay has grown to the point where, if eBay's trading were the total economic activity of a nation state, it would represent the 59th largest economy in the world, just

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³ For full report see:

[http://www.imrg.org/IMRG/press.nsf/\(httpPressReleases\)/9130FD3EFEF1261D802570C2003F9426](http://www.imrg.org/IMRG/press.nsf/(httpPressReleases)/9130FD3EFEF1261D802570C2003F9426)

behind Kuwait.⁴ eBay now has local site presence in over twenty-four countries, including China, India and South Korea.⁵ In October 1999, the company launched its UK based site eBay.co.uk.⁶ If you haven't already seen its ingenious advertising campaign or signed up as one of its 11.6 million UK users⁷, it is only a matter of time until you do.

According to the latest statistics, people in the UK spend more time on eBay than any other website.⁸ What is eBay's lure? Why do millions keep coming back and why are millions more joining each year? eBay's popularity is undoubtedly to some extent, merely part of a general trend towards increased uptake of online shopping, as borne out by the latest UK consumer figures. The latest statistics show that UK online shopping jumped 20 per cent to £3 billion (GBP) for Christmas 2005 alone.⁹ In addition, the IMRG Index states that UK online shopping is worth 6.3 per cent of UK consumer's total spending and that UK online shopping is currently growing 130 times faster than high street sales.¹⁰

But the question remains: why do some online brands attract the public more than others? What attributes make consumers seek out a particular online retailer? Is it simply low or cheaper prices, brand, range of goods, privacy and security guarantees, trust marks or seals, or something else entirely? What puts consumers *off* shopping online and what can sites do, if anything, to restore faith in the online model? The eBay consumer-to-consumer (C2C) online auction model is particularly problematic, in that, in essence, although eBay can control its own business practices, it may find it rather more difficult to control those of its sellers and buyers, especially given eBay's clear intention to retain its "neutral intermediary" status (see further below).¹¹ The problem is aggravated by the fact that the typical eBay consumer is now more likely to be an "ordinary" man or woman than the techno-sophisticate geek user of the early days, and hence more likely

⁴ See: <http://news.bbc.co.uk/1/hi/business/4274683.stm> . eBay's net profits rose by 44% to \$205.4m (£110m) during October to December 2005, from \$142m in the same period a year earlier

⁵ Found at: <http://pages.ebay.com/aboutebay/thecompany/companyoverview.html>

⁶ Found at: <http://pages.ebay.co.uk/aboutebay/thecompany/companyoverview.html>

⁷ Number as of January 2006. Ibid.

⁸ Nielsen / Netratings, January 2006, Found at:

http://www.nielsen-netratings.com/news.jsp?section=new_pr&thetype=date&theyear=2006&themonth=0

⁹ See: Elizabeth Rigby and Maija Pesola, "UK Christmas internet shopping jumps 20%", *Financial Times*, 14 January 2005

¹⁰ Last updated 23/11/05 and Found at:

[http://www.imrg.org/IMRG/press.nsf/\(httpPressReleases\)/9130FD3EFEF1261D802570C2003F9426](http://www.imrg.org/IMRG/press.nsf/(httpPressReleases)/9130FD3EFEF1261D802570C2003F9426)

¹¹ Although eBay does to some extent purport to control the behaviour of users since certain transactions e.g. sales of controlled drugs, firearms etc, are forbidden by eBay's terms and conditions. See <http://pages.ebay.co.uk/help/sell/questions/prohibited-items.html> .

than eBay to admit to prioritising worries about issues like trust and security over the potential advantages of cheapness, convenience and access to rare items.¹²

Yet eBay is the most positive brand name on the net for UK consumers, according to calculations by net monitoring company Envisional published in 2005. It scored the highest in terms of how positively it is perceived on the net, compared to McDonald's, which had the most negative perception online.¹³ eBay also continues to maintain its leadership of the online auction market, with 28% growth in profits in 2005¹⁴, although it admits it is facing strong competition from the likes of Yahoo!, especially in some newer markets such as China.¹⁵ What can a platform like eBay do to encourage its sellers to have faith in its buyers (and vice versa), as well as its own platform, and thus to maintain its business growth?

One answer that has been promoted¹⁶ is to provide simple and cheap access to alternative dispute resolution (ADR) solutions, since consumers are likely to find court-based remedies inherently undesirable, being slow, expensive, scary and off-puttingly opaque. Add to this, the fact that online sales are currently typically of low value goods (though this is changing – eBay is now, for example, doing very good business selling used cars) and that going to court is even less attractive in the transnational and legally emergent world of online shopping than in the “real world”, and ADR begins to look like an attractive carrot to offer to consumers. Statistics continue to record with tiresome frequency¹⁷, how UK and EU consumers are still often mistrustful of commerce and the

12 See BBC interview with Gareth Griffiths, eBay head of trust and security at <http://news.bbc.co.uk/1/hi/business/4467533.stm>, 5 April 2005

13 See: <http://news.bbc.co.uk/1/hi/technology/4468745.stm>. The runners up in terms of positive status in the eyes of the British public were HP, Dell, Mini and UPS. Companies were selected from the FTSE top 100 index. The survey clearly distinguished between prominence and popularity: Microsoft was the most prominent company name in the index, but it was the sixth most negatively perceived. Envisional based its rankings firstly on the number of web pages, news sites and bulletin boards which feature each brand, as well as the prominence of the company name in each occurrence. The popularity of each company was then judged by combining "sentiment" measurements, which scores each brand name according to negative and positive references in the context in which the brand is discussed.

14 See: <http://news.bbc.co.uk/1/hi/business/4467533.stm>

15 See: <http://news.bbc.co.uk/1/hi/business/4207510.stm>

16 Ethan Katsh, "Online Dispute Resolution: Building Institutions in Cyberspace," (1996), 28 University of Connecticut Law Review 953-980 available at: <http://www.umass.edu/legal/articles/uconn.html>; Katsh, E; Rifkin, J; and Gaitenby, A. "E-Commerce, E-Disputes, and E-Dispute Resolution: In the Shadow of 'eBay Law'", *Ohio State Journal on Dispute Resolution*, Vol. 15:3, 2000, p.706, available at: <http://www.umass.edu/cyber/katsh.pdf>

17 Numerous articles cite continuing evidence of consumer fears about online shopping. Recent examples include: "Brits Fear Online Shopping" at: http://www.theregister.co.uk/2004/07/06/online_shopping_fears/ and "Christmas shoppers fear for their internet security" at: <http://www.out-law.com/page-6390>

online world. The idea of ADR is that it will help restore that trust, given the prevalence of disputes on C2C platforms. It is hard to find figures on what percent of eBay transactions do give rise to disputes (one of the aims of this piece of research was to try to establish this) but anecdotally it seems there are many.¹⁸ Looking at fraud related disputes alone, *Which? Computing* magazine estimated there were 200 fraudulent auctions every day on eBay in Britain in 2005.¹⁹ In pursuit of the Holy Grail of consumer trust, eBay established a relationship with independent online ADR (ODR) provider Square Trade in 1999. The most available statistics show that Square Trade handled nearly 200,000 disputes from 2000-2002,²⁰ the majority of which emanated from eBay disputes.²¹ Later statistics have not been made externally available by Square Trade, but given the growth in eBay transactions since 2000, one would expect the numbers to be higher.

The University of Edinburgh's AHRC Centre conducted an online survey assisted by focus groups and email interviews to gain insight into these issues, and in particular, to explore what part ADR really plays in the high uptake by UK consumers of transactions on eBay.co.uk. Is ADR what eBay has that other online auction sites and retailers don't? If not, does it really play a vital part in encouraging C2C and B2C e-commerce, and should the law play a part in encouraging it?²²

2. eBay's ODR Mechanisms Explained

One of the significant advantages that eBay appears to have over its competitors is the range of ADR and ODR mechanisms which are available online for buyers and sellers.

¹⁸ Theunissen made numerous attempts to gain access to figures held by eBay and Square Trade on how many disputes they processed, but these were not made available.

¹⁹ See: <http://news.bbc.co.uk/1/hi/magazine/3694552.stm>. eBay has disputed these figures: "eBay works extensively with law enforcement across the UK and internationally, employing a dedicated team of experts who liaise proactively with the police," the company said in a statement. "We have been led to believe that, in most of the cases, the users were contacted via e-mail -- rather than on the eBay site. Payments were made using money transfer services such as Western Union, which are banned on eBay because they are not traceable."

See: <http://www.crmbuyer.com/story/FP573V5I72NseH/EBay-Disputes-Report-of-Rampant-Fraud.xhtml>

²⁰ Ethan Katsh, "Online Dispute Resolution: The Next Phase", *Lex Electronica*, Vol. 7, No.2, Spring 2002: Found at: <http://www.lex-electronica.org/articles/v7-2/katsh.htm>

²¹ Ibid.

²² See the EC Electronic Commerce Directive 2000, Art 17, discussed *infra*.

2.1 Feedback

Probably the best-known ODR solution is the *feedback* system. Feedback is eBay's primary means of establishing a user's reputation. eBayers are able to rate those who they buy/sell from by marking each transaction with Positive, Negative or Neutral Feedback.²³ Feedback is the only information that other members see about the person they are transacting with. Consequently, eBayers go to great lengths to keep their feedback rating at 100% as potential customers use this score as the hallmark in selecting trustworthy patrons. Originally, eBay refused to allow any method of altering positive or negative feedback, even where it was the subject of heated dispute,²⁴ except in extreme cases i.e. threats, etc or if parties had made use of Square Trade. eBay now however provides the Feedback Dispute Console (FDC) where an aggrieved party can dispute the feedback left. Under the FDC a buyer/seller can leave a comment explaining the poor feedback they have received. This comment is shown under the disputed feedback. In addition, eBay provides a system of mutual feedback withdrawal, which was introduced in 2004. This is used when both trading partners agree to solve a problem after feedback is left. When both parties agree to withdraw their comments, the feedback remains but the strikes are removed from the parties' feedback scores.²⁵ Finally, in extreme cases, eBay will withdraw feedback comments from members who have violated eBay policies such as using offensive, threatening or vulgar language.²⁶

Recently, eBay has also started a third party process called the Independent Feedback Review. This system allows members to ask an independent reviewer to evaluate a feedback comment left for certain types of transaction, namely motor vehicle sales. However this service is currently only available to those who buy from the US based eBay.com Motors area.²⁷ It is not known whether eBay may be seeking to expand this process to other country sites or other areas in the future.

²³ See: <http://pages.ebay.com/help/feedback/index.html>

²⁴ See: <http://www.auctionbytes.com/cab/abu/y204/m04/abu0117/s04>

²⁵ Ibid. Note that with the advent of the mutual feedback system, eBayers cannot now use Square Trade to remove the comments, just the feedback scores.

²⁶ See: <http://pages.ebay.com/help/policies/feedback-abuse-withdrawal.html>

²⁷ See: <http://www.ecommerce-guide.com/news/news/article.php/3411551>

2.2 Square Trade negotiation/mediation

Another third party dispute service, which eBay recommends for resolving disputes that have not been rectified by other dispute resolution processes, is Square Trade. Square Trade, as noted above, is a third party online negotiation/mediation service that adjudicates disputes. A typical Square Trade case can start two different ways. Firstly, the filer must choose between using a human mediator or a computer based Direct Negotiation Tool (DNT). The difference between the two is that it costs a small initial sum to involve a human Square Trade mediator and nothing to use the DNT to file or respond to a case.²⁸ It should be noted that if you choose the human mediator service and the other party fails to respond to the mediator, the party who has brought the case would have their money refunded.²⁹

2.3 Not received items, not as described items, and items not paid for

Some of the most common disputes on eBay involve buying an item and not receiving it from the seller; receiving an item that it is not what they had agreed to purchase (e.g. in poor condition, broken, wrong colour, wrong size); or when a seller is not paid by the buyer who has won the auction and committed to purchasing the item. As these types of disputes are so commonplace, eBay has set up an online Safety Centre where aggrieved buyers and sellers can initiate different ODR processes to rectify their grievances in these areas.³⁰ Here, three of the processes you can engage in are eBay's Item Not Received Process, eBay's Significantly Not as Described Process and eBay's Unpaid Item Process.

A typical Item Not Received or Significantly Not as Described Process can begin from 10–60 days after the date of the transaction. At this time the Buyer will indicate what type of dispute has occurred. However it should be noted that if the Buyer used PayPal to purchase the item these processes would not apply, as all complaints must be done through PayPal's own internal ODR processes.³¹ If the transaction was not done using PayPal, then eBay will contact the seller of the item in question via email and inform them that a dispute process has been initiated against them. The email will provide the

²⁸ See: <http://www.squaretrade.com>

²⁹ Ibid.

³⁰ See: <http://pages.ebay.co.uk/safetycentre/>

³¹ See PayPal's Buyer Complaint Process at: <http://www.paypal.com/uk/cgi-bin/webscr?cmd=p/gen/protections-buyer-outside>

seller with several options depending on the type of dispute that is being initiated. In the case of the Item Not Received Process, the seller will be given the options to either: contact the buyer personally and resolve the dispute, state whether they have sent the item already, state that they have not received or not cleared payment for the item, or offer a full refund for the unsent item.³² In an Item Significantly Not as Described dispute, the options for the seller are slightly different. They include: the option to personally contact the buyer and resolve the problem, dispatch a replacement item or offer a refund for the item.³³ Finally, the buyer can close a dispute in several ways. Firstly, if the seller fails to respond to eBay's emails within 10 days the dispute is automatically closed and the buyer is given the option to escalate the claim. Escalating the claim could be taking the other party to Square Trade, contacting the police, Office of Fair Trading, or Citizen's Advice Bureau. Another way to end the dispute is when the buyer indicates to eBay that the parties involved have resolved the dispute.

The other commonly used ODR mechanism on eBay is the Unpaid Item Process. The Seller can initiate this process up to 45 days from the transaction date, but they must normally wait 7 days to allow for the payment of the item. After this time the seller can begin the ODR procedure with eBay. eBay begins by contacting the buyer of the item and gently reminding them of their obligation to pay for the item they have bid on. The buyer is then asked to communicate with the seller by giving a response to the reminder. The buyer may indicate: that they want to make an immediate payment, that they have already paid for the item or that they would prefer to contact the seller directly.³⁴ The seller can end the dispute in a few different ways. Firstly, the dispute may conclude after the seller communicates with the buyer and states that both parties have reached a settlement.³⁵ The dispute is also ended if the buyer does not respond within seven days.³⁶ In addition, the process can be closed by the seller stating that the parties have agreed not to complete the transaction³⁷, or that the seller no longer wants to communicate with the

³² See the full terms of using the process at: <http://pages.ebay.co.uk/help/tp/inr-snad-process.html>

³³ See: <http://pages.ebay.co.uk/help/tp/inr-snad-process.html>

³⁴ See the full process policy at: <http://pages.ebay.co.uk/help/tp/unpaid-item-process.html>

³⁵ With this option, the seller does not receive a Final Value Fee credit and the buyer does not receive an Unpaid Item strike.

³⁶ With this option the buyer will receive an Unpaid Item strike and the seller will receive a Final Value Fee credit without any additional steps taken.

³⁷ With this option, the buyer does not receive an Unpaid Item strike, the seller receives a Final Value Fee credit, and the item is eligible for a relist credit.

buyer.³⁸ It should be noted that unpaid item strikes could be appealed through another process.³⁹

eBay has also initiated consumer protection schemes such as eBay's Standard Purchase Protection Programme Process. Under the Standard Purchase Protection Programme, most items bought on eBay are covered for up to £120.00 (minus £15.00 to cover processing costs) and at no extra expense to the claimant.⁴⁰

We have seen that eBay provide an imaginative range of ODR mechanisms at little or no cost to consumers. Yet, we have yet to see whether or not these mechanisms do in fact yield a higher degree of satisfaction or trust in eBayers. We will now describe the results and methodology of the AHRC Centre online survey investigation into the level of UK consumer satisfaction with eBay, and the effect of eBay ODR mechanisms on its customers.

3. Methodology

In undertaking our research we first conducted background research into online consumerism, online auctions, ODR/ADR and the eBay model. From this preliminary research we set out distinct objectives to determine the level of UK/Irish consumer satisfaction with the eBay model and in particular the ADR mechanisms that eBay provide as a factor in consumer satisfaction. It was noted in our initial research that there was what appeared to be a large uptake for eBay's dispute resolution methods. Taking this into account we sought to find if there was any correlation between satisfaction with ODR/ADR methods and satisfaction with the eBay service in general. We also looked at

³⁸ With this option, the buyer receives an Unpaid Item strike, the seller receives a Final Value Fee credit, and the item is eligible for a relist credit.

³⁹ See: <http://pages.ebay.co.uk/help/tp/appeal-upi.html>

⁴⁰ See the entire SPPP Programme for eligibility at: <http://pages.ebay.co.uk/help/tp/esppp-coverage-eligibility.html>. There are a number of important limitations on use of this process. The claimant must be of good standing, the transaction must be for a non-illegal item, feedback rating of zero at listing end is required, the winning bid for the item must have been over £15, proof of payment must be documented, and if you paid with a credit card (either directly to the seller, or through an online payment service other than PayPal) you must have already contacted your credit card issuer and sought reimbursement from the issuer prior to filing a claim. As well as all these, the biggest hurdle in practice is that if the party claimant paid for their eBay transaction via PayPal, they must instead go through PayPal's Buyer Complaint Process. See also: <http://pages.ebay.co.uk/help/tp/esppp-process.html> .

the correlation between ODR/ADR mechanisms and trust in purchasing/selling on eBay in particular, as opposed to online in general.

Next we authored a twenty-seven question online survey in order to gain substantial evidence into our theories. The survey used both qualitative and quantitative questions to measure consumer experiences. The survey methodology was edited by Dr Lesley McAra, an expert in criminological and socio-legal empirical research. We chose the online survey approach, as it was the most cost effective and direct means of contacting a large number of people across the UK and Ireland. In addition, we recognised that our theoretical population far outnumbered our accessible population and that we needed to use simple methods for soliciting survey uptake.

Before we implemented our full survey, we conducted a sample survey. Our sampling frame was composed of University of Edinburgh faculty and students and our sample was composed of 25 University of Edinburgh students and staff who had used or browsed eBay at least once in their lifetime. Following their feedback and questions, we amended our survey to better suit future participants and clear out areas of potential ambiguity.

Our main uptake for soliciting survey participants was done through eBay chat rooms and regional eBay user groups. As an incentive for partaking, we entered participants email addresses into a £50 random drawing prize. We also collected email addresses of especially interesting survey participants for future focus groups and e-interviews. At all times, we upheld the privacy rights of all survey participants. Participants were given the option to disclose or withhold their email address. We employed the social research techniques of cluster/area sampling, snowball sampling and convenience sampling.

Cluster/Area sampling is widely used when research subjects cover a large geographical area and when resources are limited as to gaining access to survey participants.⁴¹

Snowball sampling is when you ask your participants to pass along the survey to other similarly interested parties.⁴² Finally, convenience sampling is a random sampling of

⁴¹ For full definition see: http://en.wikipedia.org/wiki/Cluster_sampling

⁴² Salganik, M.J. and D.D. Heckathorn (2004). "Sampling and Estimation in Hidden Populations Using Respondent-Driven Sampling". *Sociological Methodology* 34: 193-239.

participants who have been grabbed from a particular area, such as a chat room.⁴³ As stated previously, we did not have the resources to undertake proper random sampling techniques; we acknowledge that our sample may for this reason be biased.

Over a four-month period from October 2005 to January 2006, we compiled over 400 responses using the convenience, snowballing and cluster sampling methods. Our data was then imputed into the Statistical Package for the Social Sciences (SPSS) Version 13 software. SPSS is a software system commonly used by professionals and academics for data management and analysis.⁴⁴ Within SPSS we were able to make cross tabulation and frequency tables and charts of our accumulated data. Analysis of our amassed data will be seen later in this paper.

Following statistical analysis of our population data we have initiated our focus group and e-interview stage of research. We hope to interview at least 20 survey participants using e-interview and interactive chat forums in the next 2 months. As of March 2006, we have interviewed five participants. We also expect to organise two in-person groups before May 2006. As an incentive for participating we are offering £10 for each e-interview and interactive chat and travel expenses for focus group participants. Our full report of research, statistical analysis and focus and e-interview analysis is expected in June 2006.

4. Analysis

4.1 Basic eBay Survey Demographics

Of the 400 who replied to the survey, 57% were female and 43% were male. A recent Nielsen/Net Ratings survey showed divergent information stating that eBay's audience was slightly more male.⁴⁵ However, we have found strong evidence from both our demographic and literature reviews that women are increasingly making up a greater

⁴³ The Research Sample, Part I: Sampling. Lunsford TK, Lunsford BR (1995) *Journal of Prosthetics and Orthotics*, Volume 7, Number 3, pp. 105-112. Found at: http://www.oandp.org/jpo/library/1995_03_105.asp

⁴⁴ Full information about the software can be found at: <http://www.spss.com/>

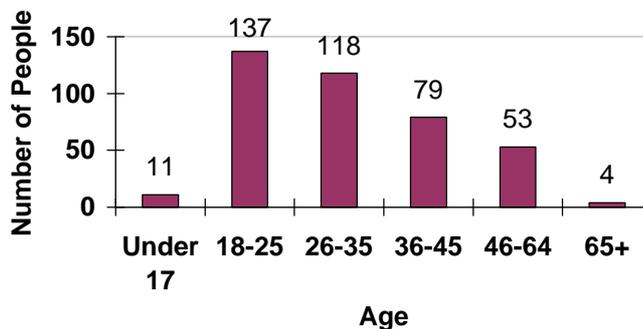
⁴⁵ Nielsen/Net ratings: The Rise and Rise of eBay, 23 August 2005. Found at: http://www.nielsen-netratings.com/pr/pr_050823.pdf

portion of eBay users.⁴⁶

Geographic origins of respondents were: 63.4% from England, 26.1% from Scotland, 4.7% from Wales, 4.2% from the Republic of Ireland and 1.5% from Northern Ireland. Our large English contingent fits the eBay demographic for the UK as substantiated in multiple sources including the BBC, who named Norwich the UK eBay capital in February 2005.⁴⁷ Also at the top of the list were Cambridge and Reading.⁴⁸

The age demographic of our survey is slightly divergent from what we would have expected given comparative surveys by net monitoring companies. We realise our survey probably has a youth bias as our sample was partially obtained via youth orientated media such as chat rooms and user group forums.

Figure 1: eBay Survey Age Demographic 1



In terms of professions, not surprisingly given our youth bias we had a spike on “students” at 30% of respondents. However apart from this, we had a very even distribution of professions across the standard survey categories.⁴⁹

⁴⁶ BBC Woman’s Hour eBay Addiction, Found at: http://www.bbc.co.uk/radio4/womanshour/2005_28_wed_01.shtml and rise of Female eBay businesses, Found at: eBay Boomers, Guardian Newspaper, Found at: <http://observer.guardian.co.uk/review/story/0,6903,1312670,00.html>

⁴⁷ Found at: <http://news.bbc.co.uk/1/hi/england/norfolk/4285647.stm> and http://pages.ebay.co.uk/community/aboutebay/news/pressreleases/consumer/2_2_2005.html

⁴⁸ A full listing of the Top 100 eBay towns can be found at: http://pages.ebay.co.uk/community/aboutebay/news/pressreleases/consumer/2_2_2005.html

⁴⁹ Derived from Grossnickle, Josh, et al., The Handbook of Online Marketing Research: Knowing Your Customer Using the Net, MacGraw Hill, NY, 2001.

4.2 Use of, and Satisfaction with, eBay and online shopping

Of those surveyed 49.5% stated that they were solely buyers on eBay, 31.6% were buyers and sellers equally and 8.2% were solely sellers. Only 6% of the sample bought or sold on eBay as part of a commercial business. In terms of frequency of online shopping in general, 9.4% of those surveyed said they bought items online more than 10 times a month, 11.9% bought 6–10 items a month, and 40% bought items 2–5 times a month. About a quarter of the sample characterised themselves as infrequent or occasional online shoppers. We also sought to measure confidence in Internet use, as well as frequency, and found, not surprisingly, a rough correlation in our sample. 78.9% were confident Internet users and 19.2% were fairly confident Internet users. In terms of longevity, almost the entire sample had been on the Internet for two years or longer. It is clear therefore that, given our self-selecting sample, the survey can only provide a guide to the views and attitudes of fairly confident and experienced Internet users and shoppers, and not the population as a whole. When we turned to eBay use specifically, over half the sample – 55% – browsed the eBay site more than 10 times a month.

A staggering 93% of respondents said they were very or fairly satisfied with the majority of their eBay transactions. A remarkable 98% plus of those we surveyed also said they were very or fairly satisfied with the majority of all their online transactions, not just those on eBay. We will come back to these surprising figures.

Figure 2: How satisfied are you with the majority of your eBay purchases?

		Response Percent	Response Total
Very satisfied		54.9%	201
Fairly satisfied		39.1%	143
Neither satisfied nor unsatisfied		3%	11
Fairly unsatisfied		1.9%	7
Completely unsatisfied		1.1%	4
Total Respondents			366
(Skipped this question)			42

Figure 3: *How satisfied are you with the majority of ALL your online transactions?*

		Response Percent	Response Total
Very satisfied		56.2%	218
Fairly satisfied		42%	163
Neither satisfied nor unsatisfied		1.3%	5
Fairly unsatisfied		0.3%	1
Completely unsatisfied		0.3%	1
Total Respondents			388
(Skipped this question)			21

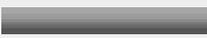
4.3 eBay Problems and Dispute Resolution

We found that around two thirds – 66% – of those who either purchased or sold on eBay had problems with their transactions. This was backed up by another question, which asked those who said they had problems, how *many* problematic transactions the respondent had experienced on eBay. The median response to this question was 2–4, given by 53% of the sample. A smaller group of 10% of respondents had 5–10 problems, and a still smaller group – 6% – had 10 or more problems. Less than a third of the sample had only one problematic transaction. Given the high uptake of our survey by confident and experienced users, this seems a high number of problems, and also seems to point to the problems arising from the eBay site itself, or from deliberate fraud or misuse by second parties, not incompetence by users. Again, one suspects a certain amount of self-selection, in that those who had an axe to grind about unresolved disputes would be most likely to answer an online survey on this issue, especially given some degree of recruitment on eBay user groups and forums. Yet despite this likely self-selection by the disgruntled, as noted above, 93% of our respondents still stated that they were very or fairly satisfied with the majority of their eBay transactions. This seemed to present a paradox. As noted previously, eBay is one of the few online shopping sites to provide a range of methods of dispute resolution. We sought to find out if our participants’ high percentage of problems yet high satisfaction with eBay could be explained by satisfaction with eBay’s *alternative dispute resolution mechanisms*.

Our participants experienced a range of problems both buying and selling on eBay. 27% had problems with purchasing an item and not receiving it; 21%, with receiving a

purchased item that was significantly not as described at the time of sale; 26%, with selling an item and not getting paid for it; 16.6% disputed feedback given to buyers or sellers; 14% had disputes involving payment via PayPal; and only 5% stated that they were a victim of fraud or account tampering. But how many of those who encountered problems used ADR mechanisms? The answer was two thirds (160 out of 235 buyers and sellers who reported problems): 67%, of those who had had problems online in our survey, had engaged in one or more of eBay’s more formal dispute resolution mechanisms namely, eBay's Standard Purchase Protection Programme Process (14.4% of sample total with problems), eBay's Item Not Received or Significantly Not as Described Process (53.8%), and eBay’s Unpaid Item Process (66.2%). Around 40% of buyers, and 60% of sellers who had problems, also reported giving negative feedback in the case of disputed transactions.

Figure 4: How satisfied are you, in general, with the handling of disputes in eBay transactions?

		Response Percent	Response Total
Very satisfied		15.8%	35
Fairly satisfied		32%	71
Neither satisfied nor unsatisfied		25.2%	56
Fairly unsatisfied		16.7%	37
Completely unsatisfied		10.4%	23
Total Respondents			222
(Skipped this question)			187

But did this high uptake of eBay’s ADR mechanisms indeed correlate to, and perhaps explain, high *satisfaction with transacting* on eBay? It seems not. Academics such as Colin Rule⁵⁰ have claimed that the existence of ADR mechanisms inspires trust and confidence in consumers online, and eBay have surely bought into this model with the investment and publicity they have put into developing ADR mechanisms. Yet we found that of those who had experienced problems on eBay, only 15.8% were “very satisfied”

⁵⁰ Rule C *Online Dispute Resolution for Business*, (2002, Jossey-Bass).

with the handling of their disputes on eBay, 325 (the majority response) were “fairly satisfied”, while another quarter were neutral as to satisfaction. Even if these two categories are added together we come up with a 72% satisfaction or neutral rate – which does not correlate to the 96% in Figure 2 above, who were very, fairly or neutrally satisfied with their transactions on eBay. If we add in our previous finding that 98% of survey respondents were very or fairly satisfied with *all* of their online transactions, it begins to look as if the ADR mechanisms *specific* to eBay add little to the reasons *why* users engage with eBay – and that would lead one to presume that perhaps the appeal of eBay lies instead in the “conventional” attractions of all online shopping sites such as brand, range of goods, ease of access and low prices. When considering why eBay outperforms *other* C2C online auctions sites, it is possible that the answer lies in its market advantage, combined perhaps with associated plusses like word of mouth, familiarity, and critical network mass, or (other) factors not explored in this survey at all, such as site usability or international sourcing of hard-to-find goods.

Why did some of those who had problems, choose *not to* participate in any of the dispute resolution processes? This might shed some light on why ADR alone does not seem to generate high levels of user satisfaction. Of our remaining one third of users with problems who chose *not to* use any ADR mechanisms, over half (51.9%) resolved their disputes by contacting the other party directly, without the help of eBay. Around 20% thought that it was worth more than the value of the item in question to enter a dispute, and a similar amount said they either couldn’t be bothered to use ADR, or did not know such processes existed. Only a very few chose to turn to legal advice, or to bodies outside eBay such as the police, trading standards, credit card companies, or the courts. Even given that a certain amount of our sample clearly used PayPal to pay for transactions rather than credit cards or other means such as cheques or money order (see below), this is a surprising finding. Lawyers know the Consumer Credit Act (CCA) forces credit card issuers to act as effective guarantors in the event of transactions where payment was made using credit cards going wrong⁵¹ – our sample of consumers do not appear to have been so aware (and this ties in with preliminary email interview work,

⁵¹ Although the recent English case of *Office of Fair Trading v Lloyds TSB Bank plc and others* [2004] EWHC 2600 (COMM) does throw some doubt on the effectiveness of CCA remedies for consumers in cross-border transactions, which will include many eBay transaction. However it seems likely that our sample were as unaware of this case as of credit card consumer protection law generally.

which seems to show both a lack of knowledge of the existence of consumer legal rights, and that they apply online).

4.4 Outcomes of ADR, and satisfaction?

Another reason why high uptake of ADR might *not* create high satisfaction with eBay problem handling would be if the *outcomes* of the ADR process were unsatisfactory for one or more of the parties. Investigating outcomes within the context of a simple online survey was difficult, given the diversity of ADR mechanisms that eBay offers to buyers and sellers. Yet, very roughly, we found that the most likely outcome for both sellers and buyers involved in disputes and ADR, was the leaving of negative feedback. Buyers and sellers who had been in disputes were asked separately to report back on what their outcomes from ADR had been. As noted above, around 40% of buyers, and 60% of sellers who had problems, reported giving negative feedback. But apart from this, there was no clear pattern at all of a majority of disputants getting what they wanted out of ADR in any other form.

For buyers almost 40% reported getting money back as a result of ADR. But almost as many – 35.7% – reported getting no satisfactory outcome. Much smaller numbers reported achieving resolution via PayPal’s complaints process⁵² (15%) or finally receiving their goods in a form, which matched description (10%). Vanishingly few of our sample – 4 people in all – took their problem all the way to “eBay’s preferred ODR provider”, Square Trade⁵³ for assisted negotiation or mediation, despite the fact that a case can be filed there for free, remains free throughout negotiation, and even if mediation is commenced it costs only 30 USD or less.⁵⁴ For advocates of the promise of ADR in online marketplaces, this is a disappointing discovery.

For sellers, there were even fewer signs of success resulting from ADR. About a third, 32.8%, reported there was no successful outcome for them, similar to the figure for buyers. Again, fairly small numbers achieved resolution via PayPal’s complaint service⁵⁵

⁵² It is quite possible that there is an overlap between those who used PayPal’s complaint service and those who reported “no satisfactory outcome”. PayPal’s service can only restore disputed monies to a claimant party if there is still money in the respondent’s PayPal account. A smart fraudster will clear his PayPal account of value promptly so although a user may “win” a dispute he may well get no money back.

⁵³ <http://www.squaretrade.com>

⁵⁴ http://www.squaretrade.com/odrvcs/odr_pricing.jsp Visited at 15 March 2006.

⁵⁵ See caveat in n 52 above.

(18%) and 8% went all the way to Square Trade for negotiation or mediation. Other outcomes included having themselves or the other party banned from eBay (8%), getting goods back (5.7%), negotiating a compromise price (3%) and asking eBay’s own Trust and Safety team to mediate (13%).⁵⁶ Given these figures, it is apparent that sellers seem to depend heavily on negative feedback as their main comeback against non-compliant buyers (80% of sellers reported leaving negative feedback).

4.5 eBay, ADR and safety?

Satisfaction with the outcome of *disputes* is not necessarily the same as feeling *safe* when using an online platform or marketplace. Disputes in the C2C environment are between a first and second party; “*cyber-safety*” can be seen as a more generic concept which takes into account factors like encountering unwelcome content (e.g. pornography, racist material), having your account hacked or your “ID” stolen by an unknown third party, or not trusting the platform provider to provide a reliable service (e.g., not misuse or sell on your personal data, providing back up where a second party proves unreliable). Yet it seems axiomatically likely that metrics of satisfaction with dispute resolution on eBay, and metrics of how safe consumers feel would be related. When we asked our sample (Figure 6 below) to rate how “safe” they felt shopping on eBay compared to shopping on the “high street”, where 1 was “Definitely Not As Safe” and 5 was “As Safe As The High Street”, the most popular response (from about 40% of the sample) was 4.

Figure 6: On a scale of 1-5, do you think eBay is as safe a place to shop as the High Street? (1 Definitely Not As Safe and 5 Completely As Safe)

	1	2	3	4	5	Response Average
	12% (45)	16% (62)	29% (114)	39% (151)	4% (15)	3.07
Total Respondents						386
(Skipped this question)						22

⁵⁶ Involving eBay’s team did not always correlate to success either though. One respondent commented, “Most mails concerning direct complaints do not get satisfactorily resolved by eBay. Automated replies are sent out and they think they cover the full spectrum of events. Trying to talk to a real human is virtually impossible.”

Figure 7: Does the fact that eBay gives you access to dispute resolution processes make you feel safer about buying or selling on eBay?

		Response Percent	Response Total
Yes		58.8%	144
No		31.8%	78
Don't Know		9.4%	23
Total Respondents			245
(Skipped this question)			164

But when we asked (in Figure 7 above) if *having access to ADR mechanisms* on eBay made consumers feel safer about buying or selling on eBay, results were mixed. On the face of it a high percent – 58.8% – said yes, it did. But it is noticeable in the return for this question that a far higher number skipped the question than did Figure 7 (386 answered Figure 6 compared to 245 answering Figure 7). It seems likely that many of those who did not report using ADR – about 248 out of our 400 respondents – did not answer this question, as not relevant to their experience. If that were true, the “actual” figure for those who *did not think* ADR made them feel safer, or *did not know* what they thought, would probably be a much higher total. Of course we cannot know which result is “right” – but it seems we do not have any clear evidence that ADR mechanisms correlate to a feeling of consumer safety, any more than we have clear evidence it contributes to satisfaction in dispute resolution.

4.6 Holding eBay Liable?

Finally, perhaps the most legally controversial question we asked in our research was whether eBay should legally be required to compensate users who lose when something goes wrong with a transaction. Over half of those who responded – 53.4% – agreed that eBay should be legally required to compensate a purchaser or seller in such circumstances. 29% said they should not be held liable and 17.5% did not know. Yet, eBay holds itself out firmly on its site, and in its advertising, as a neutral third party

intermediary, and has resisted efforts by commerce and consumers to prejudice this status.⁵⁷

The desire of respondents to hold eBay legally liable runs counter not only to eBay's own legal conception of itself but, also, probably, to the law, and the policy behind it. In EU and UK law, eBay appear to be entitled to claim the benefit of the exemptions from liability for information society service provided (ISSPs) under Arts 12–15 of the Electronic Commerce Directive 2000.⁵⁸ Art 14 of the Directive provides that a provider of an information society service is not liable for content they host which is provided by a third party, unless it was provided under their "authority or control", or they had actual or constructive notice of the existence of illegality and did not take expedient steps to remove or block access to such content. While liability for third party transactions is not quite the same as liability for third party content, the two are closely connected⁵⁹, and the policy behind the Directive is to protect exactly such online trader platforms as eBay from the risk of being held liable on potentially millions of transactions.⁶⁰

It also seems to show that a high percentage of consumers do not pay much attention to the ADR protection eBay already voluntarily provides. As noted above, under eBay's Standard Purchase Protection Programme, for most purchases or sales over £15 in value, eBay refunds up to £105 (£120 minus £15 handling costs) if the transaction goes wrong. Although some eBay transactions will be worth more than this, and some will be excluded⁶¹ by the complicated eligibility rules, many will still fit within this guarantee. Interestingly, when we asked about take-up of ADR mechanisms, this protection had the lowest take-up of any ADR mechanism we listed – only 14.4% of the sample of respondents with problems had used it (compared to the 40%-80% that used negative feedback). In recent months, eBay has undertaken an enormous campaign to educate its

⁵⁷ See Guadamuz A, 'eBay Law: The legal implications of the C2C electronic commerce model' (2003) *Computer Law & Security Report* 19(6), pp. 468-473. eBay's immunity as ISSP is currently being disputed by the jewellery sellers Tiffany, who argue that eBay is contributory to trademark infringement going on via its site where large numbers of counterfeit Tiffany goods are known to be regularly sold.

⁵⁸ As implemented in the UK on 21 August 2002. See:

http://www.dti.gov.uk/industries/ecomunications/electronic_commerce_directive_0031ec.html

⁵⁹ For example, a prosecution against eBay for allowing sellers on its site to sell contact lenses without medical supervision, as required by UK regulations, was dropped, apparently after advice that the ECD would indeed protect eBay from prosecution. See <http://news.bbc.co.uk/1/hi/health/4771910.stm>. Edwards has expressed doubts that eBay was fully immunised from liability by Art 14 in this case: see comment at <http://blogsript.blogspot.com/2006/03/ebay-makes-your-eyes-water.html>.

⁶⁰ See Edwards L "The Problem of Intermediary Service Provider Liability" in Edwards L ed. *The New Legal Framework for E-Commerce in Europe* (Hart Publishing, Oxford, 2005)

⁶¹ See n 40 above.

buyers and sellers as to the types of dispute mechanisms available to its users but apparently they have failed to popularise this remedy.

5. Conclusions

Online auction sites like eBay will always be places where a disproportionately high number of disputes will be expected to arise, and where shopping has relatively high risks. Ethan Katsh, the pioneer of research into online ADR, and the person who set up eBay's first ADR mediation pilot in 1999, explains why:

“EBay law, like much of law, begins with a concern for “public safety.” Safety in the eBay context means not physical safety but safety from a series of harms or losses that one might encounter there. EBay, like other online marketplaces, needs to be perceived as a place where risk of loss is low and trust in the process working as advertised is high. EBay needs to address public safety concerns because a marketplace in which offers to sell are made by persons with uncertain identities and no reputations is likely to be a high risk and low trust environment in the extreme. If one could not predict that auctions and transactions would occur according to expectations, the marketplace would not thrive.⁶²”

As the first phase of our research came to a close, we were left with many interesting hypotheses to explain our survey results but as yet insufficient empirical evidence to fully substantiate these theories. This will need to wait for phase 2, email interviews and focus groups, to be concluded. We were also fully aware that due to the (financially inevitable) use of an online survey and voluntary participation, at least at this early pilot stage, we had amassed a self selecting sample which was at ease online, and so our findings cannot be deemed representative of the whole population of eBay users in the UK by any means (although we have tried to establish above, we think, that our survey can be regarded as representative of *confident and experienced* Internet users). However, with these major caveats, several interesting points can be highlighted.

First, as demonstrated above, perhaps our most surprising finding was that we found such very high degrees of satisfaction from the vast majority of our sample, both as to online shopping in general, and transactions on eBay in particular. Indeed the figures for both

⁶² Katsh., 2000, *supra*, n 16

“very satisfied” and “fairly satisfied” were almost identical for eBay and the Internet in general (see Figures 2 and 3, *supra*.) Given that our anecdotal impression of our sample was that many had joined the survey expressly so they could complain about particular transactions that had gone wrong, or what they saw as defects in the eBay environment, this was all the more remarkable. The high degree of satisfaction could of course be explained as a self fulfilling prophecy, given that most of our sample were people who had chosen to come back to online shopping and eBay again and again, and who had designated themselves as “confident” users. Yet our sample also reported a very high incidence of problems in their transactions, around two-thirds reporting they had problems on eBay. This matches Katsh’s perception seven years ago of eBay as “a highly troubled environment”, and seems to indicate that our sample were not simply pleased with the Internet and eBay because they had never run into bad experiences.

One of our main aims of the project was to find out if the provision of ADR mechanisms on eBay was truly one of the secrets of its success – or, to look at it another way, was it cost effective and worthwhile in creating trust and confidence among its consumer base. In 2006, Katsh is still pronouncing the conventional wisdom:

“What has come to be understood online, perhaps more than it is offline, is that dispute resolution processes have a dual role, that of settling disputes and also of building trust. Those interested in attracting users to some online activity, whether for commerce or some other purpose, have understood that users must be provided with some measure of trust and safety in addition to convenience and cost benefits. Users, in other words, need not only to be *able* to do something online but to be *willing* to do it online. Creative use of technology allows us to participate in many novel activities online but participation will not occur if there is some risk associated with participating. One method of reducing perceived risk is to let potential users to know that if problems arise, there are mechanisms in place for obtaining redress.”⁶³

⁶³ Katsh E, “Online Dispute Resolution: Some Implications for the Emergence of Law in Cyberspace”, *Lex Electronica*, Vol.10 n°3, Hiver/Winter 2006, <http://www.lex-electronica.org/articles/v10-3/katsh.htm> Other writers in the US have been more cynical about ADR, seeing it more as a device to restrict the rights of consumers than a means to promote their trust and confidence: see Elizabeth Thornburg, “Going Private: Technology, Due Process, and Internet Dispute Resolution.” 34 U.C.Davis L. Rev. 151, 154 (2000).

As described above, we found no convincing evidence of this. If consumers are as satisfied with general transactions online, as with transactions on eBay then ADR does not appear to be a “silver bullet”. Instead, consumers seem to be keen on the experience of shopping online, and on online auction sites over high street shopping. This was backed up by our early email interviews, which indicated that respondents were eager about the ease and use of the eBay format; the variety and amount of items, which they could sell and which could be sold on the site, and the simplicity of shopping in the comfort of your own home at all hours of the day. But there has so far been little or no spontaneous mention of ADR as one of the reasons people shopped on eBay or something that made them feel happy. When specifically asked, as noted in Figure 4 above, if respondents were happy with eBay’s handling of *disputes*, the response was much less positive, with only 15.8% “very satisfied” and as many (16.7%) “fairly dissatisfied”. ADR was a partial answer to this lack of satisfaction with dispute handling ; as we noted above in Figure 7, about 60% of respondents agreed that the access eBay gave to ADR mechanisms made them feel “safer buying or selling on eBay” – but more than this number simply skipped the question, as well as the 40% who said No or Don’t know (and an earlier question disclosed that 248 of our total sample of 400 - 62% - had never used any eBay ADR mechanism at all, other than, possibly, negative feedback.).

The simplest hypothesis that seems to emerge is that both *prevalence* of disputes, and dispute *handling*, are not that important in relation to general levels of satisfaction with online and C2C site shopping. It also seems to indicate that our sample were more robust about dealing with the tribulations of the online environment and, in particular, the C2C environment, than general surveys about consumer trust (or more relevantly, consumer fear) might have lead us to believe. 96% of our sample did not think eBay was as safe as the high street (Figure 6) but it does not seem to have put them off shopping there. The advantages of range, cheapness, and ease of access on eBay and online in general, simply seem to outweigh the risks.

What does all this have to say to those promoting the development of more or less formal methods of dispute resolution online? The EU in the E-Commerce Directive 2002, Art 17, encourages states not to hamper the development of ADR mechanisms, including those by “electronic means”, in relation to information society services. But the results of our survey do not give the impression that ADR – at least of the online mediation or

negotiation type is what online consumers actually want. There was very low uptake in our UK sample of the most formal methods of ADR offered, i.e., going to Square Trade for assisted negotiation/mediation. Only 8% of sellers and 3% of buyers in our sample had gone as far as Square Trade. By contrast, the far most popular method of ADR was the least "legal", and the most indigenous to eBay, namely the giving of negative feedback. Why was this? Was it simply that negative feedback is the path of least resistance, the easiest way to fight back in a dispute without going to too much bother, or is something more going on? Katsh argued seven years ago that the eBay disputants he mediated were most concerned about their reputation feedback because they "bargained in the shadow of eBay law", i.e., their desire to remain part of the eBay community made them worry about the effect bad feedback would have on their future chances of trading with strangers⁶⁴. Our work so far does not wholly back up this thesis; of our sample of buyers and sellers who reported having problems, *inter alia* almost half (presumably buyers) claimed to have had problems with non-delivery of an item, and almost as many (presumably sellers) complained of non-payment; while less than a fifth had problems with disputed feedback. It will be interesting in our future work however to try to find out how if buyers and sellers were *also* worried in these common types of disputed cases about associated problems of bad feedback.

If uptake of eBay's own ADR solutions was disappointing in our survey, uptake of other forms of quasi-legal consumer assistance was even lower. The question where we asked respondents if they had ever turned to outside bodies for help, such as the police, Citizens Advice Bureaux or Trading Standards bodies, was answered affirmatively by only 25 of our sample of 400. Of these, the significant responses were that 11 persons had contacted the police and 10, their credit card companies. The major third party eBayers do seem to turn to (which was investigated in another question in our survey) is PayPal, whose Protection Plan had been invoked by 22 sellers and 22 buyers. All this seems tentatively to bear out both Katsh's supposition, that eBayers are more concerned with "eBay law" itself rather than the "real world" law of whatever jurisdiction they lived in, and our own common-sense supposition, that consumers rarely think of, or wish to, engage with the formal legal process. This assumption that eBay is separate from the legal apparatus of the "real world" has also come out also in the early stages of our email interviews, most vividly in the quote below: "*I never thought I could use laws on the Internet. I wish the*

⁶⁴ Katsh, 2000, *supra* n 16, at p 729, also quoting the aphorism "on eBay, all you have is your reputation".

Government would tell people. We knew eBay had ways to help us but we did not know the police or other groups could."⁶⁵

This leads us to our second major question. EU governments have taken it upon themselves since the mid 1990s to try to promote consumer legal rights online, and to educate consumers about these rights, mainly in the hope (again) of promoting trust and confidence online, and hence increasing uptake of B2C and C2C e-commerce. But is the goal of consumer education being achieved? Our eBay consumers conspicuously failed on the whole, when they ran into difficulties, to approach their credit card companies, the police, trading standards or, even as a last resort, an actual lawyer. They did not even seem to take full advantage of some of the remedies eBay themselves offered, like the Standard Purchase Protection Programme Process (although it is impossible to know how many of our samples were barred from using this Policy because they paid using PayPal.) This raises the question of just what kinds of legal rights *would* be useful to, and accessed by, consumers. In our research, we found that the “blue skies” idea of eBay being legally required to guarantee transactions that went wrong was popular. Although, as discussed above, this currently runs contrary to actual law, it is still an appealing sentiment for eBayers. If we are serious about C2C platforms as the future of e-commerce, and about inspiring trust and confidence, we may need to review the current laws which allow eBay to claim almost total intermediary neutrality (subject to notice and take down). Making eBay liable for every transaction on its site where there is fraud or incompetence would no doubt inspire the usual cries of unlimited risk and immediate bankruptcy. But it may be that there is room for imposition of *some* kind of limited duty of care on eBay, e.g., where obvious fraudsters are operating, or where counterfeit goods are being sold, as parties like the Consumer Association magazine *Computing Which?* have suggested⁶⁶.

Another issue is whether the government should, as well as publicising *statutory* consumer legal rights, start to put resources behind publicising the “extra” rights sites like eBay are offering to engender trust in the novel online environment – money-back guarantees, free ADR, extended cooling off periods, buyer protection up to £120, etc. These contractual rights may be becoming as important to the online consumer as the statutory rights of the Unfair Terms Directive and the like – they could even be called

⁶⁵ Interview with Username Valium, 27 February 2006.

⁶⁶ See <http://news.bbc.co.uk/1/hi/uk/4749806.stm> .

“para-legal rights”. Yet alternatively, this could be seen as the government wrongfully giving its backing to individual commercial competitors. As one respondent put it:

“It would be (IMO) farcical for the Secretary of State for Trade and Industry to go about saying, "Ooh, did you know, eBay have nifty buyer protection thing online, and you can take anything back to M&S even if you simply don't like it, and John Lewis are Never Knowingly Undersold, and Amazon have a special offer this week on DVDs, and the Co-Op on the corner has bought in a security guard to stop shoppers feeling intimidated by the teenage kids hanging around in the doorway." Madness.”

In conclusion then, we have many matters to explore in the next stage of our research. We hope to produce a fuller report by the end of August 2006.