

BUSINESS AND MONEY CONSUMER AFFAIRS

Dropshipping – What consumers should know

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More and more people are making use of the internet to satisfy their shopping needs as online shopping saves precious time and offers a wide range of products and services at competitive prices.

The concept of dropshipping has also started to become more popular recently. The main difference between an online seller and dropshipping is that while the online seller stocks products, in dropshipping, the online shop has no stock and the orders it receives are forwarded to a foreign supplier. The supplier then sends the product directly to the consumer.

Dropshipping is legal, but scammers are increasingly using this technique at the detriment of consumers. These sellers tend not to abide by the distance-selling legal requirements, such as providing their contact details on their website. Hence, if consumers encounter a problem with the goods purchased, obtaining a remedy becomes difficult. These sellers

also tend to mislead their potential customers by not providing the products as advertised.

RECOGNISING A DROPSHIPPING SITE

Before concluding a purchase, consumers should look out for the information on the location of the registered trader. This is usually found in the terms and conditions of the website. Webshops selling consumer goods in the EU are obliged by law to indicate their registered address in their general terms and conditions. If the website is a dropshipping site, it should also have information on where the supplier is located.

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The following are other ways to recognise a dropshipping website:

Private address – If the address indicated on the website is a private residence, you are probably dealing with a dropshipping website. If in doubt, it is advisable to search for the address on Google Maps.



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No original product images – Dropshipping sites tend to use images from other sites. To confirm this, you can take screenshots of the image and compare it with other websites.

Vague or long delivery times – Dropshipping suppliers are often located in Asian countries, resulting in lengthy delivery times.

Language errors – Generally, the description of the item is poorly translated to English.

BEWARE OF MISLEADING ADVERTS

Products sold through dropshipping sites are usually promoted as original. However, sometimes these products are not of the expected quality even though they are sold at a very high price. Consumers may also be enticed to buy low-cost products believing that they are making a bargain but end up purchasing inferior-quality products. Furthermore, products may be advertised as manufactured in Europe, but in fact they are

made elsewhere. Such practices are considered misleading and unfair, especially since legal recourse against sellers outside Europe can be limited.

Consumers should also be aware that buying from an online shop is similar to physical shopping in that they are entering into a sales agreement with the shop. In dropshipping, the agreement is between the consumer and the trader operating the website, who must comply with the legal return and warranty rules.

When shopping online, consumers also have the right of the 14 days cooling-off period during which they can change their mind and return the item bought. The dropshipper may provide the supplier's address for the return of the unwanted goods but must indicate the return expenses should con-

sumers decide to exercise their withdrawal rights.

If a problem arises with the purchased product, consumers should contact the sellers immediately in writing and inform them about their complaint. If it results that the seller is a scammer, consumers should file a report with the Police Cybercrime Unit. On the other hand, if the dispute is with a legitimate dropshipper seller situated in a European member state, or in Iceland or Norway, they can contact the European Consumer Centre Malta for further assistance by calling 2122 1901 or e-mailing ecc.malta@mccaa.org.mt.

This information is provided by the European Consumer Centre Malta.

WWW.MCCAA.ORG.MT
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Malta Competition and Consumer Affairs Authority (MCCAA)
Office for Consumer Affairs
Mizzi House, National Road,
Blata l-Bajda HMR 9010

Freephone: 8007 4400 | Tel: 2395 2000
Consumer complaints: <https://www.mccaa.org.mt/home/complaint>
Website: www.mccaa.org.mt

To watch videos on topics featured on this page, visit www.facebook.com/pg/MCCAAMalta/videos.

MCCAA office hours for the public:
Monday to Friday from 8.30am to 12.30pm

European Consumer Centre Malta
(For complaints against traders in other EU member states)
47A, South Street, Valletta VLT 1101

Monday to Friday from 8.30am to 3pm
Tel: 2122 1901 | E-mail: ecc.malta@gov.mt

The information published in this page is intended for information purposes only. Any legal claim or action taken in the event of a dispute should be based solely on the legal texts concerned. For more information, call the Office for Consumer Affairs at the Malta Competition and Consumer Affairs Authority on Freephone 8007 4400.

Swivel chair complaint – Trader's enquiry

Q: Three years ago, a client purchased a swivel chair from our company. A year and a half into the guarantee, the chair developed a fault and was repaired for free as per the guarantee requirements.

Now, a year after the guarantee expired, the chair has malfunctioned again, and our client is requesting a free repair. As a gesture of goodwill, we are ready to offer our client a 40 per cent discount on the repair costs or a discount on the purchase of a new chair. However, the consumer is insisting that we are obliged to provide him with a free repair.

Can you kindly advise what are our legal obligations in this situation?

A: When goods bought by consumers are no longer covered by a valid guarantee, sellers are not obliged to repair or replace the damaged product for free. Hence, in this case you are right in informing your customer that you are not obliged to meet his request for a free repair.

Furthermore, your offer to discount the repair costs or the price of a new chair is a good trading practice that gives your customer additional benefits than those provided by law.