

After Lockdown: Bates Wells Guide

Charities and Online Shopping – Are you thinking of moving into online sales?

With charity shops still closed and grappling with how to deal with likely increases in stock post lock-down, many charities are considering how they can start using online sales to get their stock out to the public. We have set out some key commercial considerations for charities looking to move into the world of online retail.

Consider existing online sales platforms

Setting up an online shop is likely to involve a significant investment and some organisations may prefer to make use of an existing online sales platform. Ebay offers an online charity shop where charities can sell items directly and individuals that are selling items can donate a percentage of their proceeds to a selected charity. You may want to encourage your supporters to explore online sales as a way of raising funds for your organisation. If your supporters are selling items and donating their proceeds to the charity, the charity will not need to worry about dealing with product distributions and returns. However, where the charity is selling items directly on one of these platforms it will still be responsible for responding to any purchaser complaints, dealing with returns and making sure that the products it sells are as described and fit for purpose. As always when working with a third party, it will be important to review the terms and conditions for any platform that you sign-up to and that the charity is comfortable with and able to comply with all of its obligations.

Developing the online functionality directly

- **Developing your website** – to host an online shop on your website you will probably need to develop a new area of your website and you will need to have the functionality for people to select items for purchase online. It is important that you review the agreement you have with any website developer, making sure that the terms clearly set out your requirements and what you are expecting of the developer in relation to this project. The agreement should set out a process for you to test the sales platform and make sure that it is fit for purpose. You also need to make sure that you have appropriate intellectual property rights in the website. You will also need appropriate arrangements in place with a payment service provider that can accept and process payments for these sales and the payment provider will need to be compliant with the latest payment services directive.
- **Distance selling regulations** – these are the regulations that apply where consumers are buying products or services without face to face contact. You will need to familiarise yourself with these regulations so that you can make sure that appropriate information is provided to your customers and to make sure you comply with the rules around refunds and returns. In particular, a consumer has a right to be given clear information about the goods before they buy; you should therefore think about how your products will be described online and make sure that if there is any damage to a product (e.g. a rip on a piece of clothing) is clearly identified.

- **Refunds and returns** – your website will need to set out how a purchaser can apply for a refund, and your refund terms must comply with consumer regulations (for example, the right for consumers to return items and receive a refund up to 14 days after receiving goods, or later if the goods turn out to be faulty). You will also need to think through the practicalities of how you will manage product returns.
- **Post and packaging** – you will need to be clear about what the postage costs are for your customers and think through the practicalities of how you will manage the distribution of the items that you sell online. You may want to consider working with a third party supplier who can manage the distribution of these items on your behalf. If working with a third party supplier it will be important to make sure that you have robust terms and conditions in place.
- **Terms and Conditions** – to cover the matters mentioned above, as well as other practical matters around using the online shop, you will need to develop Terms and Conditions for your customers. To comply with consumer law these terms must be both fair and transparent, they should be drafted in plain and intelligible English and you should take steps to draw customers' attention to particularly important terms.
- **Data Protection** – you will need to think through how and why your online shop will use personal information. It is permissible to use names and delivery addresses for the purposes of delivery, but not much else. And so if you would like to use the information for anything else, you may wish to think about legitimate interests as a lawful basis, which also means recording a legitimate interests assessment to demonstrate that you've considered how the new online shop may affect the rights and freedoms of individuals, and balanced these effects against the interests of the charity. You should make sure that any new use of personal information is reflected in your charity's privacy documentation. For example, do your privacy notices cover the use of personal information for the purposes of an online shop? Is customer transaction information listed in your data retention schedule? Finally, consider the electronic direct marketing rules (for example, if you plan to promote your new online shop to existing supporters or use the online shop to develop new supporters), and whether you need additional consents.

For more advice, please get in touch with our

[Charity team.](#)



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