
Bringing Your Business Online: E-Commerce Policies

Description

The current COVID-19 pandemic has forced many businesses online in order to survive. In many cases, businesses had no plans to be online. Others were forced to move online more quickly than planned. In order to assist these businesses, we are preparing a series of articles discussing some of the more important legal issues to address when moving your business online. [Article 1: Website Terms](#) discussed online terms and conditions to protect your business. [Article 2: Privacy Policy](#) discussed how your business collects, uses and discloses personal information of others. [Article 3: Third Party Content](#) discussed the risks of copying photos, music, videos, and other content created by third parties onto your website.

Article 4: E-Commerce Policies

Websites that sell products or services also need to prepare and disclose their business policies regarding returns and refunds, shipping, payment options, and order cancellations and refunds. It is tempting to copy these policies from other websites. The danger, however, is that the other websites may not have exactly the same policies as your company. In so doing, you could be subjecting your business to unnecessary liability.

Depending on the nature of your business, some of the policies and terms you should consider are:

- **Return and refund policies** — Businesses that sell products online generally need a return and refund policy to govern when customers can return products. Some of the questions you may want to address in this type of policy are: Under what circumstances can the customer return the product (any reason, only if defective, all sales are final, etc.)? What are the time limits? Are there other conditions (must be in original packaging, must have original receipt or proof of purchase)? Who pays for return shipping? Do you want to provide a store credit or, a refund or partial refund? Is there a restocking fee?
- **Shipping policies** — Shipping policies generally let the user know what shipping options are available, how much each option will cost, and when the shipment will arrive. The policy can also address any restrictions on shipping and delivery, such as not delivering to post office boxes or to certain states or countries, or that an adult at least 21 years old needs to sign for the delivery.
- **Payment terms** — If the payment terms are not in your terms and conditions, you will also need a separate policy setting forth the terms. This policy generally addresses the following questions: What types of payment methods are accepted (credit cards, PayPal, purchase orders, etc.)? How will late or missed payments be handled, if you do not collect payment in full up front? For subscription services, when and under what circumstances can you suspend or terminate the subscription for non-payment? Does a customer get a refund for early termination? When and under what circumstances can you change the prices or fees (at any time, upon 30 days' notice)?
- **Cancellation and refund policies** — If you are a business that takes reservations (hotel, restaurant, online classes), cancellations at the last minute can cost you time and money, and lost profits. Some of the questions you may want to address in such a policy are: How can the customer cancel the order, if at all? Are there time limits? When does the customer have to inform you in order to cancel? How do they inform you? Do you want to provide a refund or partial refund? Do you want to provide a store credit, and, if so, how long is the credit good for (there may be laws in your state that apply to this question)? Are orders transferrable if you are not going to provide a refund?

If your website does not have e-commerce policies in place, we would be happy to discuss your requirements and assist you. Partridge Snow & Hahn Partner [John Ottaviani](#) has over 25 years of experience bringing businesses online and can provide the guidance needed to make the transition as painless as possible. He can be reached at jottaviani@psh.com or 401-861-8253.

Date Created

May 6, 2020