S P O T L I G H T

Preventing online frauds

As Indian e-commerce volume grows bigger by the day, so do security threats



<u>Ashok Kumar</u>

ITH MORE than 3,311hubsspread all over the country, India is fast emerging as a leading e-commerce marketplace globally, says a recent report by eBay, a popular e-commerce hub. An earlier estimate by online retailer HomeShop18 pegged the industry at \$9.3 billion.

However, the industry is faced with the challenge of ensuring consumer confidence in keeping their identities and information secure. Some of the common e-commerce securitythreatsloominglargeover the industry include identity theft, data security breaches and phishing, which predominantly figure on the list of consumer complaints. As the biggest casualty of the emerging risk factors is the trust of the consumer in digital commerce, it becomes imperative for any business to take necessary steps to reduce customer concerns about shopping and banking online.

The users are advised to access their online accounts from their own computers and also ensure that they have different usernames and passwords for different accounts, as the probable attacker can use the same credentials to access any account.

But this is only the basic precaution. While most organisations believe that simple usernames and passwords no longer provide adequate protection against sophisticated attacks, at the same time, they feel handicapped because a complicated technical transaction process may hurt adoption and usage. Intelligent authentication takes a risk-based approach that enables strong authentication that is both effective and unobtrusive for the enduser.

A few basic guidelines can go a long way in making the experience of online shopping a fruitful exercise. One of the most important decisions a customer is required to take during online transaction is to choose the payment gateway.

It is critical that the payment gateway you choose supports basic fraud detection and that all required authentication measures are in place. Most frequently, credit card fraud is carried out by individuals, who have access to only credit card numbers and not the physical cards. "Two factor authentication checks via a one-time password are useful," says Suhas Prakashkumar, director, development, Symantec, a security solutions firm.

If the site is not professional in appearance and operation, it may not be safe. The user should enter the payment information on a page that contains a padlock (se-

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cure lock) at the bottom of the page. Usually a shoddy looking, badly designed website should be avoided, cautions, Faisal Farooqui, founder, Mouthshut.com, a user generated company.

Govind Rammurthy, managing director of eScan, a security solution firm, feels securing the computer, clicking with care and knowingthemerchantarethethree most important steps one should follow while shopping online.

'Bad' guys these days operate by planting a keylogger on your system that listens in, surreptitiously waiting for you to use your credit card or your bank password so that they can steal your money. So, even if you're dealing with a legitimate merchant, you're at risk if your computer is infected. "A major precaution is not to click on any links—even if the message looks legitimate—but to type in the merchant's URL manually," cautions Ramamurthy.

According to Ajay Data, founder of Xgen Plus, advance email servers give special importance to email security and lay emphasis on the awareness of consumers about the real price of the product. "The security of email is crucial. When you're about to enter your credit card details, make sure you're on a 'secure' site. The URL should have

an https at the beginning (s for 'security') and there should be a small gold lock in the lower right corner of the browser."

It is also significant for the consumer to understand the actual cost of the item, including shipping, handling, and sales tax as these factors can have an enormous impact on the final price. "Many merchants offer free shipping during holidays and those who have both online and physical stores will let you pick up the item from the store for free. In most states if you do business with a merchant who has a physical presence there, he is required to collect state sales taxes. Although it's tough to enforce, some states expectyoutoself-reportallof youronline purchases and pay sales taxes when you file your state income tax

return," Data explains.

"Since online shopping is constantly evolving, in emerging markets like India, shoppers need to be aware of different techniques used by merchants to use the web as an interactive platform to sell their products. Given the fact that almost about 15% of credit card frauds are online, we must be cautious when sharing personal information like credit card details over the internet," cautions Anand Dixit, executive director, PwC.

There have been cases where one typically notices situations of so called 'baiting' on different websites where a small number of products are available at a discounted price. These are used as carrots to tempt in new shoppers and often feature on the same page as full price merchandise. "In these cases, once we are drawn in to the websites, we are more likely to open our wallets

forpurchases,"warnsDixit.

Various new e-commerce platforms are mushrooming in India, but not every site pays adequate attention to user information security, both financial and otherwise. Given that a lot of these are start-ups, there is an additional responsibility on the sites to instill trust in the consumer's mind, who are warming up to the e-commerce platform.

"There are enough measures in place like encryption and SSL certification that every e-commerce site should embrace to provide a safe shopping experience. Else, a fewbad experiences might actually create a mental block in the consumer's mind about Indian e-commerce sites," says Ranjith Boyanapalli, chief executive officer, Buytheprice.com, a shopping portal.

Many online shopping services do not guarantee refund in case the goods are not delivered. "A proper system for addressing customer grievance like an exclusive customercare number can be helpful," says Ajit Chauhan, director, Synergy Promotions & Marketing services, SynergyCoupons.com, an e-commerce portal.

Social shopping is the new thing but it has risks. One should not share too many details about personal buying habits online and certainly avoid pushing credit card details even to known people because the information can be accessed by others. One should always shop at online sites that have been around for years. "Avoid visiting just-launched sites so that you are confident of getting served well," cautions K Vaitheeswaran, founder & CEO of Indiaplaza.com, ane-commerce website.

SHYAM KUMAR

Online consumers should always choose a mode of payment that makes it easy for one to track all online transactions through a regular statement. Kunal Bahl, cofounder & CEO, Snapdeal.com, an e-commerce firm, warns against visiting sites that don't offer an easy return and refund policy.

Dhruv Gupta, CEO, www.gkboptical.com, aleading online eyewear stores, adds, "Payment gateways are getting more secure as banks are doing 3-d verification to ensure that your payments are safe."

The new challenge, in online shopping, lies in identifying the so-called alluring deals that offer huge discounts on products. Some of these deals offer products of inferior quality from suppliers, which lack credibility, creating confusionamong the potential consumers about fake and genuine products. "Reputation and pedigree of an online shopping portal are critical for any shopper to have a happy buying experience," says K Senthilnathan, head, straightline.in, ane-retail platform.

To enhance online shopping security, credit card companies are now establishing cardholder iden-

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tity authentication services, such as Verified by Visa, through the card issuers. It is getting safer to shop with a credit card as leading banks are adding extra layers of security by OTP or pin verification. "Such services will let the customer use a personal password with their cards, giving them the security to shop online," says Sundeep Malhotra, CEO and founder Home Shop 18, an e-commerce company.

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Customers should also acquaint themselves with the benefits of using a secure payment gateway. This ensures safety and security of the transaction to the highest degree and is a smart option. "It is always a good idea to get in touch with the customer support team before making a purchase for the first time from any website, as this call sensitises the user to the finer points and nuances of the transaction," says Ishita Swarup, CEO & co-ounder, 99labels.com, an online shopping platform.

Third party approval endorsements give credibility to websites when it comes to security-related aspects of online shopping, says Ankur Warikoo, CEO, Crazeal.com, the Indian unit of Groupon, USA.

"Downloading the latest version of your web browser is an essential step consumers must take as these have built-in filters than can spot many fake websites," says Mohit Anand, managing director, Indian sub-continent, Belkin India, a connectivity solutions firm.

It is also a good security practice to never discard readable electronic receipts or email confirmations for your online purchases, as this could leak valuable data for potential misuse.

Arindam Bose, MD & chief customer officer, timtara.com, an ecommerce portal, says, "At the same time, we should not worry excessively about the security aspect of shopping online. It prevents a customer from taking advantage of attractive deals."

Inany case, whether it's online or offline shopping, basics are the same. You must compare prices and gather as much information as possible about the product, beforehand, religiously. The advantage with online shopping is that heaps are written about products as part of reviews and ratings. If you wish to dive deep, you can easily go through it in detail and also check user reviews in order to gain an in-depth knowledge about the product.

"Should you find yourself a victim of fraudulent activities, do not find be embarrassed to act. Frauds do happen on an e-commerce platform and it's advisable to make as much noise as possible," says Sachin Singhal, head of e-commerce, Naaptol.com, a comparison-based social shopping portal.



THE URL SHOULD
HAVE AN HTTPS
AT THE BEGINNING (S FOR
'SECURITY') AND THERE
SHOULD BE A SMALL
GOLD LOCK IN THE
LOWER RIGHT CORNER OF
THE BROWSER

Ajay Data Owner, X-Gen Plus



CARDHOLDER
IDENTITY
AUTHENTICATION
SERVICES WILL ALLOW
THE CUSTOMER TO USE A
PASSWORD, GIVING HIM
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ONLINE

Sundeep Malhotra CEO, HomeShop18



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K Senthilnathan Head, straightline.in