



**Report of the Online Retailing to Children meeting held on
9 December 2008, 1500-1630 hours in Room CR19, Palace of Westminster**

Chair: Margaret Moran MP

Rapporteur: Lucy Fairbrother (EURIM)

Summary

1. Baroness Massey will introduce the Online Purchasing of Goods and Services (Age Verification) Bill to House of Lords on January 17th. There is already a lot of support around this bill and these concepts in the House of Lords.
2. Private Members' Bills rarely become law and are often used primarily to raise awareness of an issue. There was consensus that a partnership approach was preferable, and there was generally no appetite for further legislation. In the case of Baroness Massey's Bill the hope is that the Government will pick up the issue, either for further Executive action or, if any strengthening of the law is needed, to incorporate it into a Government Bill.
3. There is agreement that civilized societies have a responsibility to protect children. If something is illegal in the real world then we need to find a way to provide similar protections in the virtual world.
4. Currently the law says that in respect to age verification that you have a testable and effective system to verify age. As long as a business makes reasonable attempt to verify age, they are acting within the law.
5. In the case of online child pornography the self-regulation approach has been successful even without legislation.
6. In the case of age restrictions on gambling, it took further action to push gambling sites into complying. However the gambling industry only had a single age restriction to take into account, but there are more complicated age restrictions in other industries. One of the ways that the age restrictions for gambling was a success was that the Advertising Standards Authority ensured that no British advertising company will accept a contract for a gambling site that doesn't comply with the age verification conditions. Even if that website is international, the advertising agency has to ascertain if that company fits with the criteria – if it does not they will refuse to advertise that site.
7. Legislation is limited, and a public education side is necessary too. For instance there is little to stop a parent giving their child access to their credit card.
8. It was agreed that there is currently no golden solution, as even the best solutions are not fool proof. Businesses may be unwilling to adopt a solution which is not totally reliable, but a fool proof solution may not be possible.
9. There is also an issue of international sites. It is necessary to progress child protection agenda on all sides.

10. There are many payment systems other than credit cards, and these systems are fast changing. Keeping up with the payments industry is extremely difficult, so an effective solution needs to divorce age verification from the payment system.
11. Pre-paid credit cards were identified as an issue for retailers, as it is not possible to distinguish between a stored value card and a traditional credit card.
12. The issue hinges on a mechanism of identifying a person, which is the centre of many difficult problems on the internet.
13. Although face to face verification was agreed to be the easiest form of verification, with online purchases, the point of contact between buyer and purchased product is generally with a courier or postman. Using this point of contact for age verification does not stand up in court as it is involving a 3rd party, and was not deemed to be an effective solution.
14. It was suggested that children might buy into an age verification scheme with the right incentives. Although discounts may not be a strong enough incentives, if retailers do not allow anyone without the proper card etc then this would provide the right incentive.
15. None of the proof of age card schemes have online components at the moment.
16. It was put forward that the reason why no retailers are leading the way is that there is currently no business case to act at the moment. Retailers need a level playing field, so that potential customers do not simply move away from a compliant business to a non-compliant rival.
17. The verification process itself could be a barrier to the sale as more clicks there are to buy, the bigger decay in purchasing behaviour.

Actions

- EURIM to create a moderated website to which people could submit ideas about what might and might not work, as a point of reference for discussions, both on-line and off-line. The site could also contain references to other sites and forums with relevant material. It will have an update on the progress of the bill and of Maureen O'Mara's work in Trading Standards.
- An invitation for comments and papers is to be circulated.
- Potentially a mapping exercise to lay out some of the various solutions and to see what might work best and what could be tweaked or enhanced.
- Producing a code of conduct, or guidance on best practice.
- Lobby DCMS or other departments to investigate their work in this area.
- Identify what is working and see what can be tweaked or enhanced to make age restrictions possible.

1. Introduction

1.1 Margaret Moran MP opened the meeting and invited those present to introduce themselves.

1.2 MM introduced the concepts behind the Online Purchasing of Goods and Services (Age Verification) Bill and outlined her background in campaigning for online child protection.

1.3 MM mentioned the results of a survey in which out of 300 18-30 year olds, 57% admitted lying about their age to get age-restricted goods online. It is clear that we need to find a way to provide similar protections for illegal sales as in the real world.

1.4 MM stated that there may be some technological ideas that may be helpful, but that there is not one technological solution.

1.5 The child protection agenda was raised at the Internet Governance Forum in India, as all these issues have an international dimension and must be dealt with internationally.

2. Baroness Massey, chair of the APPG on children

2.1 Baroness Massey said she hoped that this would be the first of several meetings where ideas and solutions can be debated.

2.2 BM stated that she will introduce the Age Verification Bill to the House of Lords on the 17th January, and that there should be dialogue before and after this. She said that there was already a lot of support in the House of Lords.

2.3 BM gave a summary of the bill and outlined her reasons for supporting it. The All Party Parliamentary Group on Children is concerned for the UN convention rights of the child statement that the welfare of the child is paramount in all cases, which she supports. The internet is a useful tool but there is a dangerous loophole which allows children to purchase age restricted goods. Our responsibility is protecting as well as providing opportunities for children.

2.4 BM mentioned that the Home Secretary set up an Internet task force on Child Protection in 2001. Their manifesto shows that there are areas of concern that include political leadership, limits of self regulation, consent, new technological solutions and the international dimension. The current task force's agenda, which included good practice guides, spam, working with Ofcom and search engines needs updating.

2.5 BM is concerned about credit cards which enable children to can buy restricted goods over the internet, and everyone has to be concerned about the potential damage it can do to them.

3. Maureen O'Mara, Chair of the Greenwich Council Committee responsible for Trading Standards

3.1 Maureen O'Mara outlined one of the underage operations done by Greenwich Council. 10 out of 19 stores which were targeted sold knives to underage people. Those stores were named publicly, and in a repeat exercise, 2 stores sold knives again.

3.2 After that exercise what was needed was a local authority that would do this online. In the October copy of Trading Standards Today there is a report from Brenton Harrow Council Tradings Standards on an ongoing project of underage internet sales. They found that 75% of businesses sold age-restricted goods to a 13 year old volunteer, and some sites merely require the purchaser to tick a box to confirm they were over 18.

3.3 Greenwich Council is implementing a voluntary Knife Charter to businesses to promote responsible selling and reduce the sales of knives to young people.

3.4 MO stated that there were lots of messages on corporate social responsibility from the businesses, but these were not cascading down to shop staff.

3.5 MO is intending to put together an online campaign around this aiming to get the message over to retailers to act responsibly.

4. John Carr, Children's Charities' Coalition on Internet Safety

4.1 John Carr noted that in the case of online child pornography, a self-regulation approach has worked well, even without legislation.

4.2 JC stated that the law currently says that in respect to age verification, retailers must have a testable and effective system to verify age. As long as companies make reasonable attempts then they are within the law. He pointed out that no one is compelled to sell age-restricted goods and services so if a retailer chooses to do so then they must follow these regulations.

4.3 He offered the example of gambling websites, on which children as young as 11 could use solo cards to use these websites, where they only needed to tick a box to confirm that they were over 18. Although some gambling websites claim to have a system of age verification, in a test of their system, 30 out of 37 were unable to detect if the customer was a child. Since then there have been almost no incidences of a child getting through to a gambling site.

4.4 JC pointed out that it was harder to provide an effective age verification system with customers under 18s, as there are legally enforced limits at 12, 15, 16 and 17. There are also 5% of adults who cannot be verified online for various reasons, and there is no alternative but paper-based verification.

4.5 JC mentioned the pre-paid credit cards, which can be used for buying goods and services online with no age restrictions. The issue is that retailers are unable to distinguish between regular and pre-paid cards.

5. Discussion

5.1 MM opened the floor for comments and discussion

5.2 Business would welcome a partnership approach don't feel the need for more legislation. Retailers want a solution that is 100% reliable.

5.3 Businesses are also concerned about prepaid cards as there is no way for them to distinguish them.

5.4 These messages have been passed on to credit card companies, who are doing work in this area.

There are a number of different payment systems, and keeping up with the payments industry is difficult to do. The point was made that we need to divorce age verification system from the payment system. With an age restricted product it should be irrelevant what the payment method is, as the only necessary information is whether the person buying the product meets the age criteria.

5.5 The issue of age verification hinges on a mechanism of identifying a person, which is at the heart of many problems around the internet. This subject came up frequently at the Internet Governance Forum. Microsoft is keen to progress this and Caspar Bowden spoke at the IGF about Microsoft's version of digital authentication online. They are keen for suppliers to come into the market with products that are cards-based compliant.

5.6 Verifying identity is easy offline with a paper certificate, but how can it work online?

There are various methods to exchange digital tokens online.

5.7 The gambling industry only had one age restriction, making it easier for them to comply when the law compelled them to. Nonetheless some retailers are acting over this issue, for example some will not deliver anything unless there is someone home to accept it.

It is problematic to leave the responsibility of verifying age with the company delivering the product.

5.8 There are various avenues for potentially cracking this, and a possible action is to map some of the solutions or producing some guidance in this area. It would also be worth approaching the Department for Culture, Media and Sport to investigate what methods they are using. There would be less cost to see what already is being used and to see what could be tweaked or enhanced for this purpose.

5.9 Incentives would encourage people to sign on to a card scheme. The best incentive would be for retailers to refuse to sell to anyone without a card for proof of age.

5.10 Citizen card is one of a number of proof of age standards schemes, but none of the pass cards currently have online proposals. One of these cards with an online component would be an effective solution. A similar solution is already in use in South Korea and Germany. In the Scandinavian countries, every child has a NI number from birth which has in it a way of identifying their age.

5.11 Although face to face verification was agreed to be the easiest form of verification, with online purchases, the point of contact between buyer and purchased product is generally with a courier or postman. Using this point of contact for age verification does not stand up in court as it is involving a 3rd party, and was not deemed to be an effective solution

5.12 At the point of setting up a bank account for their child, the parents must go through stringent tests. Banks can see that one idea could be that at the point of creating that account the bank can provide a digital token to facilitate identity verification.

5.13 It was pointed out that it is about creating a level playing field. If a customer is refused an age restricted product then he/she can visit a retailer who has less stringent checks. The retailer who complies with the age restriction laws will lose out on a sale, so there is no business case to do so. When there is a level playing field there is a reason to comply as they are not losing out to someone else.

5.14 The verification process is a barrier to the sale as more clicks there are to buy, the bigger decay in purchasing behaviour. The process itself carries no benefit for the customer.

5.15 How will this relate to the progress of the bill?

These types of bills rarely become law and are often used primarily to raise awareness of an issue. The hope is that the Government will pick up the issue, either for further Executive action or, if any strengthening of the law is needed, to incorporate it into a Government Bill. Legislation is the last option, and more preferable is to find a partnership solution.

5.16 In the case of age restrictions on gambling, it took further action to push gambling sites into complying. However the gambling industry only had a single age restriction to take into account, but there are more complicated age restrictions in other industries. One of the ways that the age restrictions for gambling was a success was that the Advertising Standards Authority ensured that no British advertising company will accept a contract for a gambling site that does not comply with the age verification conditions. Even if that website is international, the advertising agency has to ascertain if that company fits with the criteria – if it does not they will refuse to advertise that site.

5.17 Won't there always be those people who wilfully try to get around the system and who will not comply with any regulations?

There needs to be a public education side to this also.

6. Conclusion

6.1 MM summarised some of the points raised in the discussion. She suggested that some of these ideas are collated, and that attendees might use the EURIM website as a focal point for discussion. The website will have an update on the progress of the bill and of the work at Greenwich Council in Trading Standards.

6.2 MM thanked everyone for attending and closed the meeting.