

# Make money on the web

We'd all love to win the lottery, but with impossibly high odds there are easier ways to make your millions. Enter the internet. Ben Camm-Jones looks at how to spend, make and save cash online and offers advice on minimising the risks

Whether you're earning, studying or retired, you still can't get by in this world without some ready cash in your pocket. And if you're after making a quick buck then there's a world of possibilities on the internet. From share-dealing to selling unwanted junk in your garage, making money online is easier than you think.

If Delboy-style wheeling and dealing isn't really your thing and you're more interested in taking care of the cash you've already earned there are a number of convenient ways to do this via the web too. Most banks have online branches, allowing you to manage your cashflow from the comfort of your own home.

We're going to look at how you can make and manage your money online. We'll also give you some advice to ensure that you don't end up losing cash or compromising your security.

## On the auction block

They say that one man's rubbish is another man's treasure. There's always the possibility that someone might hanker after those Art Deco vases you've got hidden in the loft and be prepared to pay you a good price in exchange.

You might have been meaning to get a pitch at your local car boot sale but it's a lot of hassle and, besides, who wants to get up that early on a Sunday morning? There is an easier way to sell unwanted junk and make some extra cash. Simply put your items into the listings of one of several online auctioneers.

One popular auction site is eBay ([www.ebay.co.uk](http://www.ebay.co.uk)), which has been around since 1995. In order to sell on eBay you must register as a seller. You'll have to give credit or debit card details so your identity can be confirmed and it's best to provide a picture of the item you wish to sell along with a full description.

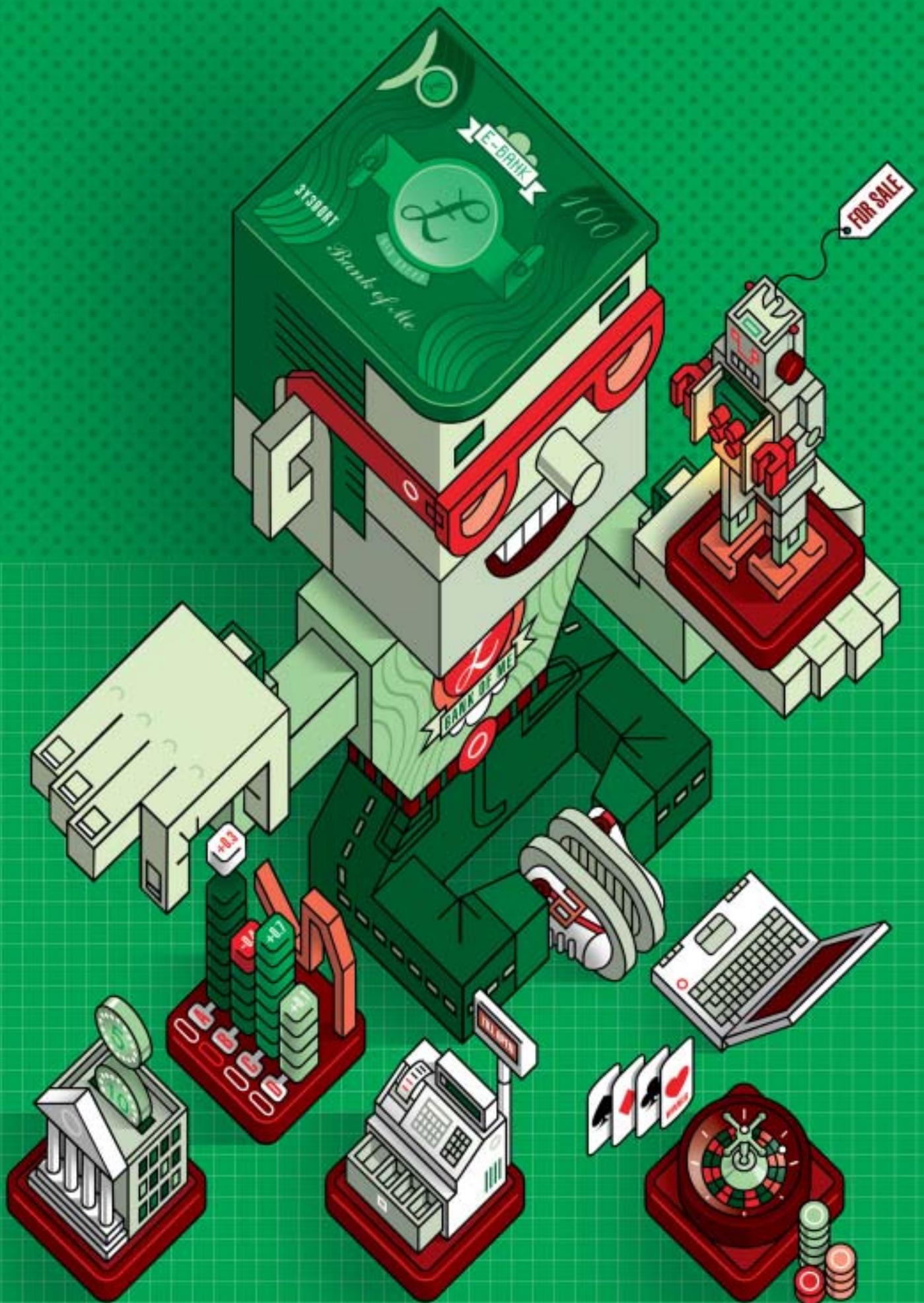
You then need to choose a realistic price at which bidding can start. Check the prices of similar items: you won't get any interest if you price yourself out of the market, but you don't want to sell yourself short either. Specify the length of time that you want the auction to last – there's a maximum bidding period of

10 days – and then wait to see what bids you receive. Buyers may contact you with queries about the item and the terms of payment.

It's also worth bearing in mind that the auctioneer plays no part in money settlement – this is sorted out between the buyer and seller. PayPal, however, is a company affiliated to eBay that allows the transfer of money via email. Though it is free for the buyer, it will cost you a small fee to receive payment this way.

An alternative site, eBid ([www.ebid.co.uk](http://www.ebid.co.uk)), uses a similar system called PPPay. Payment is transferred from a buyer to the seller via a third party which holds the money until the goods have been delivered and accepted. Again, there are fees involved. It's up to you whether you pay to use these services but doing so allows for a quick, easy and secure transaction.

If you've got unwanted gifts or memorabilia cluttering up your attic, don't throw them out. No matter how little value you may place on that poster of Elvis, chances are someone would like to relieve you of it. Remember, it costs you nothing to register items via an auction site and if you use payment schemes such as PayPal and PPPay your transactions will be protected.



## Set your sites high



↑ Get your website associated with Amazon.co.uk and you could earn yourself a few bob

**affiliate programs, whereby you set up a link to a retailer. If a visitor clicks through to the retailer's website and purchases an item then you're entitled to a cut of the profits.**

**Amazon.co.uk offers just such a scheme. It's simple to set up: links are built for you and you**

**If you've set up a website and wish to make money from it you don't necessarily need to add e-commerce capabilities. A number of well-known sites offer**

**can even include an Amazon search box. You could make up to 15 percent profit on the price of the item in question, so it's certainly worth your while.**

**Your site needs to be up to scratch, though. A personal website that doesn't get many hits will not benefit from joining an affiliate scheme. If, on the other hand, your website receives plenty of traffic then it's a fairly simple way of earning some cash.**



↑ If you've got wares to sell, log on to eBay and watch the bids fly in

### Take a gamble

Whatever your views on gambling, the web has changed the lives of turf accountants over the

last few years. It's now easier for a punter to back a horse in the hope of winning a few more pieces of silver. For online betting fans like me, the fact we don't have to endure a visit to a smoky bookmakers is a definite bonus.

Simply log on to one of several secure sites backed by names that we're all familiar with – for example, Ladbrokes.com or Coral.co.uk – and place a bet. You'll need to give credit or debit card details and agree to the terms and conditions of the website, including the all-important declaration stating that you are over 18 years of age.

The better-known online bookmakers turn over vast amounts of money and are part of well-established companies. As a general rule, a company doesn't survive for years and become a household name if it rips off its customers. So you can be sure that if you lose money (and let's face it, you probably will) it'll be down to the fact that you backed a three-legged horse and not because your credit card details have been plundered by a rogue employee.

However, there is also the problem of malicious hackers. This issue certainly isn't exclusive to online bookmakers – any kind of website where transactions take place will be targeted. Security measures are therefore very important.

Most of the sites we looked at gave details about their security setup. We recommend using sites protected by SSL (secure socket layer) or TLS (transport layer security) technology. Provided you proceed with caution and read everything you're agreeing to, your details will be safe. But always check the privacy policy on the site before opening an account.

### A safe bet

Although you're not physically writing out a betting slip, you are relying on all the details of your transaction being picked up accurately by the bookmaker's server. If you went into a high street



↑ Choose a reputable online bookmaker such as Ladbrokes.com

bookies you wouldn't dream of leaving without a record of the bet you just placed and there's no reason why it should be any different when betting online. Most betting sites offer some kind of receipt and reference number – make a note of these and save or print out the web page. Contact the customer services department immediately if you discover a mistake.

So what should you do if your horse comes in but the money doesn't? Ibas (the Independent Betting and Arbitration Service) will mediate in cases where there is a dispute between a punter and an Ibas-registered bookmaker. It points out on its website ([www.ibas-uk.com](http://www.ibas-uk.com)) that it is virtually impossible to prove a claim if you don't have the reference

number or some physical record of the bet that you placed.

Casinos have also made the jump to the internet, allowing you to play everything from blackjack to roulette. Many sites will give you a chance to practice these games without any cash stake before you get down to the serious business.

If you're looking to have some fun with minimal financial risk, provided you only flutter small amounts of money online gambling is an ideal pastime. As a way of making serious money, though, it's a complete nonstarter – even with reliable tips and a lucky streak it's still far too risky.

### Share and share alike

While it certainly isn't recommended for complete beginners, people who have experience of the stockmarkets might fancy trading in shares online. There are plenty of sources of information that will offer you advice before you take the plunge and there's a plethora of brokers to choose from. Different brokers charge different rates, so it's worth shopping around for the best deal.

Online brokers tend to be 'execution only'. This means that they will only trade with your guidance – they won't advise you where to put your money – so you'll only have yourself to blame for a bad investment. However, by using an execution-only broker, commissions are far lower than those of a broker who gives the low-down on firms or who invests your money in companies without your consent.

Motley Fool ([www.fool.co.uk](http://www.fool.co.uk)) is one of the best sites for providing online share trading information. It even compares different brokers so you can decide which will give you the best deal. Opt for a broker

↓ If you're thinking of buying some shares online, check out Motley Fool



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to whom you only have to pay a flat fee and ensure that the site trades in real-time, so you're going to get the maximum profit on your investments.

If the broker is only acting on your instructions then you'll need some reliable and relevant online sources from which to get information about good current deals.

Many sites – such as Motley Fool and ADVFN ([www.advfn.com](http://www.advfn.com)) – feature user forums which are an excellent way to share experiences. Take everything you read with a pinch of salt, though, and seek a second opinion if possible not least because there is a certain amount of misinformation online. Once you've made a couple of investments, the decision-making will get easier. But always tread with caution and compare as many different views as you can.

When making any sort of investment – online or not – it won't accrue value

overnight. Share trading isn't a get-rich-quick scheme so you'll need to be patient before you can get a decent return on your money. Another factor to bear in mind is that the economy, in general, is not in the best shape at the moment.

However, though online share trading is not without its risks it certainly has more money-making potential than gambling on sporting events or roulette wheels. There is plenty of information online about how to go about investing your money and who to place it with, but you'll need to be sensible and carefully consider all the options.

### Talking shop

Giving an existing business an online presence has huge profit-making potential whether you run your own firm or are part of a small operation. Setting up a successful e-commerce site requires an investment of both time and money. When you have to spend a substantial amount of capital, there's always risk involved.

People are naturally wary about selling online because of the number of dotcoms that, after promising starts, have disappeared without a trace. However, if you have an existing company that already sells through other channels and are looking to expand the business then this shouldn't be a concern. Indeed, selling your wares online could prove to be a good earner in the medium to long term.

Take, for example, outdoor clothing and equipment retailer Field & Trek. After humble beginnings as a mail-order business in 1973, it gradually acquired 13 high street stores and decided to complement the burgeoning business by setting up an e-commerce website in 1998. "It was a big leap into the dark –

↓ Use ADVFN's forum to find out about companies before investing in them



we had seen many so-called dotcom businesses die,” said Kris Bezdyk, IT manager for Field & Trek. The risk paid off, though: “The annual cost of running the website is 50 percent less than running just one store,” Bezdyk added.

Field & Trek opted for service provision from Easynet. The ISP set up the whole system and keep it running smoothly, so the fact that Field & Trek had no technical knowledge didn't matter.

“[We] allow customers to concentrate solely on managing their own web space without having to get too involved in the underlying infrastructure,” said David Roe, CEO of Easynet. Customer security was a key consideration, so Easynet's firewall-protected server and secure VPN (virtual private network) between the hosted server and the warehouse was the ideal solution.

Field & Trek's foray into e-commerce neatly illustrates that you don't need to have an IT guru on your team to get your business online. There are plenty of companies that can securely host the site for you, although it's best to shop around for the best deal. If you're prepared to be patient, getting your company on the web might just be the best business decision you ever make.

### Save don't spend

Online banking has really taken off in the past few years. The convenience of logging on to your account from the comfort of your own home is a real advantage, whether you have a hectic lifestyle or live a long way from the nearest branch. Security is the major concern for anyone considering banking online. It's not just your credit card details that are at risk here, it's everything to do with your personal cashflow.



## Charity begins at home

**T**he web doesn't just have its uses when it comes to making money – you can donate to charities via the internet too. Comic Relief (www.comicrelief.co.uk) has taken advantage of the web to garner extra contributions. Though Comic Relief's televised appeal is an annual event, the charity accepts donations all year round.



Gift Aid is extra cash that all charities, whether or not they have an online presence, can claim back from the Inland Revenue. So if you decide to donate online make sure you tick the Gift Aid box so your chosen charity doesn't pay tax on your money.

↑ Dig deep and donate to your favourite charity over the internet

### Security first

However, just because it's a charity you're dealing with doesn't mean you don't have to be careful. If you're giving credit card details first make sure the site is protected by SSL or TLS. If you use Internet Explorer it's easy to work out what security technology is used. A site that is protected by one of these protocols will have a padlock icon at the bottom of the window. If you hover the cursor above this icon a tooltip will appear, telling you what measures are in place.

All reputable online banks will have a dedicated section on the site that explains the security measures safeguarding your money and account details. Barclays Bank, for example, requires that you type in your surname, a password, a unique membership number and two characters selected at random from a memorable word that you chose when you set up the account. It also uses SSL encryption to protect your personal details.

An online bank account gives you a great deal of freedom and makes otherwise complicated procedures a cinch to set up. For example, you can get an instant account balance and arrange standing orders and money transfers without filling in a single form. You can even access your Barclays account from a WAP mobile phone, allowing you to pay bills while on the move.

← Most high street banks have an online presence, letting you check your account over the internet

### This time next year...

Though earning serious money through the web takes some effort, the internet can at least make your money work harder for you. With all the online information there is on offer, you'll be able to make reasonable judgements about potential investment opportunities which may very well pay off.

Not only that, you could also find a more convenient bank account with better rates of interest or a credit card with a lower annual fee. Even if you just want to have some fun and put a pound each way on the 3.10 favourite at Wincanton, you can do it so much more conveniently online.

But the most important thing to remember is to be cautious at all times. Always use a secure website and check there are safety measures in place for payments before completing any transaction. You might be able to supplement your income by selling or investing, but you don't want to find out that someone else has got a slice of your pie because you didn't tread carefully. ■