

FEATURE: Should Bunker Firms be Wary Over Use of WhatsApp in Deals?



Questions are being raised over the use of WhatsApp for bunker deals. File Image. Image Credit: Pixabay / Ship & Bunker

The bunker industry is starting to divide in its attitudes over the use of the **WhatsApp** messaging service to conclude its deals.

WhatsApp has been available since 2009, providing a free, cross-platform messaging service to anyone with a valid phone number and access to the Internet.

While messaging services have been popular tools for decades, WhatsApp specifically became prominent in the commodity markets from the mid-2010s following [the shutdown of Yahoo Messenger](#), which had been a mainstay of these markets.

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The advantages of using WhatsApp are easy to understand: most everyone already uses WhatsApp, meaning it is a fast, reliable, and efficient way to communicate with market participants.

But WhatsApp allows messages to be edited or deleted after they have been delivered and seen by the recipient. For those using the service to conclude their bunkering transactions, this grants the

opportunity for the unscrupulous to go back on deals after they have been agreed, removing the evidence and claiming they never happened.

Even if editing message history was not possible, WhatsApp may still fall short on providing everything that is needed to safely conclude a legally sound bunkering deal.

Many have also expressed wider concerns over the app, including issues with privacy (particularly following WhatsApp's acquisition by **Facebook** parent **Meta**), security vulnerabilities, and the collection and exploitation of metadata.

Thus, at a time when compliance requirements for the industry continue to grow, as does the scrutiny over the use of WhatsApp.

Over recent weeks, Ship & Bunker has spoken to a range of bunker market participants who have shown varying attitudes over the use of WhatsApp.

If the number of companies who declined to comment on its WhatsApp usage is any indication, this has clearly become a sensitive topic.

Still, overall it seems that larger firms tend to be more wary of WhatsApp with smaller ones generally taking a more relaxed attitude.

Pros and Cons

The advantages, and pitfalls, of WhatsApp overall seem to be generally understood by those who we spoke to. What varied was the perceived risks.

"WhatsApp is a critical tool for facilitating real-time communications essential in the dynamic environment of bunker trading," **Daniel Rose**, CEO of bunker procurement and trading firm **Shipergy**, told Ship & Bunker.

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"While we acknowledge the convenience of WhatsApp, we are also cognizant of the potential compliance issues it presents, particularly the risk associated with the deletion of messages."

Indeed, a common response from those we spoke to is to treat WhatsApp only as a tool for informal conversation; something to gauge the initial interest level before moving to more formal communications.

"Critical communications such as final confirmations or important legal notices are always backed up with formal documentation through emails," Rose added.

"This practice ensures that we maintain accountability alongside the speed of communication that WhatsApp provides."

Several other market participants laid out a similar approach.

Among them, a trader at a small Asia-based firm who said: "Personally I think WhatsApp is great for reaching out, but not for actual deals."

Confirmation

Perhaps the most common practice to overcome the legal shortcomings of negotiating deals on WhatsApp is to make sure a confirmation email is sent following the conclusion of any agreement.

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European Bunker Broker

"I don't think that WhatsApp works [for deals], because of the legal side," a physical supplier and trader from a medium-sized **Middle Eastern** firm told Ship & Bunker.

"The legal team is very hard on every trader that once you confirm the deal, you have to send the confirmation; that is not there with WhatsApp."

A representative of a large global firm agreed that, "from the communication side it's fine."

"Whenever a deal is done, it's on good faith that we have agreed on the price. But the legally binding part only comes when I send the final confirmation from my email."

Still, a number of firms we spoke to were more confident in treating deals discussed on WhatsApp as final.

"I've been using it for years, and I've not had a problem with it," a **European** broker said.

"I see how deleted messages could cause issues, and maybe that's something we should consider, but it's not come up as a problem so far."

A poll carried out by Ship & Bunker on social media platform LinkedIn indicated **25%** of respondents were happy using WhatsApp for bunker deals, with **65%** saying they used it but confirm by email.

Only **7%** of respondents said they did not use WhatsApp.

What's your attitude on the use of WhatsApp in bunker deals?



- A recent Ship & Bunker poll gauged the industry view on WhatsApp

Going Further

Kieran Michael Brown, Group Credit Risk Manager at **Island Oil**, believes market participants should go even further than simply sending a confirmation email.

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Arguably too there should be a belt and suspender after the confirmation... if it's emailed there be a return receipt acknowledgement

Steve Simms, Principal, Simms Showers LLP

"WhatsApp is not the problem per se. The problem is that as a bunker seller you need to mention that any offer, counter, or confirmation, etc., is subject to your T&Cs in any communication, especially when you first offer," he told Ship & Bunker.

"If you do not do this, you potentially weaken your in rem lien rights. This is because you have not established that your T&Cs govern the deal from the start."

Brown also warned that even if all these steps are followed and a dispute goes to court, not all judges allow WhatsApp transcripts to be admitted.

Steve Simms, principal at **Simms Showers LLP**, also said that from a legal perspective it may be wise to go further than just confirming the deal subsequently over email.

"The editable WhatsApp conversation would arguably allow data deletion, so I suppose traders need to develop a habit of screen-shotting when they get a deal, which always should be followed up by a confirmation, attaching the screenshot.

"But then when you think about it the confirmation itself could be problematic. Say the deal is done the old fashioned way, a voice call. Then a confirmation goes out and then there's a stem. If the customer returns saying there is something that's not in the confirmation, what they agreed to, what do you then do?

"Arguably too there should be a belt and suspender after the confirmation, at minimum that if it's emailed there be a return receipt acknowledgement."

Alternatives

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Daniel Rose, CEO, Shipergy

There are of course many alternative messaging services available. Following the shutdown of Yahoo and before WhatsApp had a stranglehold on the bunker market, there were a number of such services vying to be the app of choice.

Many of those were perceived as being more suitable in many ways - more secure; no message editing; management overview of team-member conversations, etc.

Still, WhatsApp and its near universal usage won out the day.

Perhaps counterintuitively, while there is now growing awareness of the shortcomings of WhatsApp, interest in 'better' alternative messaging apps seems limited.

"Interestingly, we've observed a shift in the industry where major physical suppliers, initially insisting on platforms like **ICE** chat for their heightened security and archival features, have gradually adapted to the widespread use of WhatsApp," observed Rose.

"This shift underscores the platform's integration into the fabric of daily trading activities.

"Ultimately, while platforms like WhatsApp are indispensable for their immediacy and ease of use, at Shipergy, we ensure that our compliance and documentation standards are rigorously maintained to uphold the integrity of our transactions."