

# **INTERNATIONAL JOURNAL OF LEGAL STUDIES AND SOCIAL SCIENCES [IJLSSS]**

ISSN: 2584-1513 (Online)

Volume 3 | Issue 2 [2025] | Page 727 - 736

© 2025 International Journal of Legal Studies and Social Sciences

Follow this and additional works at: <https://www.ijlsss.com/>

In case of any queries or suggestions, kindly contact [editor@ijlsss.com](mailto:editor@ijlsss.com)

# THE WORLD OF E-COMMERCE: NAVIGATING DIGITAL MARKETPLACE WHILE SAFEGUARDING CONSUMER RIGHTS

-Mahak Rajpal<sup>1</sup>

-Karan Choudhary<sup>2</sup>

## ABSTRACT

*In the words of Hillary Clinton, "Instead of gutting consumer protection, we should be expanding it".*

With the advent of technological advancements in e-commerce, there is a dire need for consumer protection. Today, consumers can shop online with just a few clicks, enjoying the convenience of purchasing products from the comfort of their homes. However, alongside this ease of access, they face significant challenges, including concerns about data privacy, susceptibility to deceptive advertising, and vulnerability to unfair trade practices. In the article "The World of E-commerce: Navigating the digital marketplace while safeguarding consumer rights" we explore the various obstacles that consumers encounter in the online marketplace. This article compares and contrasts consumer protection legislation in India with consumer awareness and education programs to assess their effectiveness. It also explores that how Indian consumer protection laws could evolve with respect to other countries' legislations with the advancement of technology. Further, it looks ahead to the direction that consumer empowerment may take in the future, arguing in favor of a strong framework that educates as well as protects, by building a foundation of knowledgeable and resilient digital customers. Understanding the e-commerce environment and maintaining consumer sovereignty depend heavily on this research as-

*Alexander Wang said – "When you focus on the consumer the consumer responds".*

**Keywords:** E-commerce, Consumer protection, Consumer protection act 1986, Consumer protection act 2019, E-commerce rules 2020, Consumer rights, Consumer education, Consumer empowerment.

---

<sup>1</sup> 2nd year student, Amity Law School, Amity University Rajasthan

<sup>2</sup> 2nd year student, University Five Year Law College, Rajasthan University

## **I. INTRODUCTION**

Amidst the vast expanse of the digital marketplace, where consumers browse virtual aisles and click their way to purchases, lies a maze of obstacles and opportunities. E-commerce, also known as digital commerce, encompasses all online transactions for products and services, changing consumer-business interactions in the modern day. This swiftly developing sector has given birth to a virtual marketplace known as a "Digital Bazaar," which is brimming with opportunities for both customers and enterprises.

Customers can benefit greatly from e-commerce in many ways. The best feature is convenience: from the comforts of home, a world of items are just a few clicks away. A greater selection and competitive prices are the results of increased competition among internet sellers. Transparency in information is also advantageous because e-commerce platforms make it simple to compare features, testimonials, and costs.

The web-based economy is not without obstacles though. The risk of releasing personal data infringing privacy, being prey to fraud advertisements, fake websites, and unfair trade practices. Furthermore, prejudices may be generated by the algorithms that drive e-commerce platforms, which could restrict the choices that are available to buyers.

A thorough examination of this dynamic landscape is essential, considering the transformative influence of e-commerce in India. This article aims to delve into this subject comprehensively.

## **II. CHALLENGES CONFRONTING CONSUMER PROTECTION IN THE E-COMMERCE DOMAIN**

The problems faced by consumers in this era of digital commerce are unlisted. There is development in the way in which business is done or we can say that technology has grown over the years. online shopping is the main cause of victimization of consumers. It's not a matter that we don't have apt laws, but it's not effective or we can say that it fails to cater protection needs of customers. Several key challenges faced by consumers are:

Consumer complaints in e-commerce continued to be on the rise each year in May 2017. The national consumer helpline reported that e-commerce receives the highest number of complaints<sup>3</sup>. The court in *Raghubir Singh VS Thakurain Sukhraj Kaur* explained the rationale behind Such protection is to avoid consumer exploitation at the end of the business community and to hold back various business malpractices<sup>4</sup>.

The very first complaint is in the matter of jurisdiction, where in civil cases is a territory, pecuniary, or subject, but in consumer matters it becomes hard to find<sup>5</sup>. In the case of cross-border transactions, where consumers and sellers are from different places, it presents challenges of hidden cost, lack of clearness, lack of certainty, and lack of product quality. Another challenge faced by consumers is unfair trade practices due to a lack of personal touch. It increases the vulnerability of consumers. Mostly due to unauthorized information or by using aggregate marketing technology, Consumer falls for deceptive products. They also try to lower prices as compared to superior brands which in turn causes Consumers to fall for low-quality products.

One of the most important challenges faced by a consumer is data and privacy concerns and online payment security<sup>6</sup>. In this concern be business offered a Consumer product of high quality and at a very low price for which the consumer might fall and make payment to receive it fast and then money never returns. It can also disclose information to a third party without consent. Poor internet is also a major concern for blocked payment. Personal information may be leaked without the permission of the consumer. They can cause theft and financial fraud. If a consumer purchases a product and it lacks quality complex, a refund policy may become a hurdle to which the consumer can become frustrated. It can lead to a burden on tribunals as the virtual nature of Product inspection can lead to disputes about product condition. These challenges build a complex landscape and addressing these is crucial for fostering trust and creating a safe e-commerce Odyssey for consumers.

---

<sup>3</sup> ASHOK R. PATIL, Dr. PRATIMA NARAYAN, *E-Consumer Protection in India: Trends and Challenges*, Revista de Interés Público Vol. 1 issue no. 2, (December, 2017).

<sup>4</sup> *Raghubir Singh v. Thakurain Sukhraj Kuar*, 1939, AIR Oudh 96 at 99.

<sup>5</sup> ASHOK R. PATIL, Dr. PRATIMA NARAYAN, *E-Consumer Protection in India: Trends and Challenges*, Revista de Interés Público Vol. 1 issue no. 2, (December, 2017).

<sup>6</sup> United Nations Conference on Trade and Development (UNCTAD), Consumer protection in electronic commerce, Page No. 6,7 (April 24, 2017).

### III. EXISTING CONSUMER PROTECTION STATUTES IN INDIA

As consumers navigate the virtual aisles of e-commerce platforms, ensuring their rights and interests are safeguarded becomes paramount. To address the evolving complexities of the digital marketplace, it is essential to examine the existing legal frameworks governing consumer protection in India.

#### A. CONSUMER PROTECTION ACT, 1986:EVOLUTION & DEVELOPMENT

The Indian Consumer Protection Act of 1986 (ICPA) serves as the bedrock of consumer protection within the rapidly evolving landscape of e-commerce in India. This Act guarantees the protection of consumer interest when there is a "defect in good", a "deficiency of services" or in the event of "Unfair Trade Practices (UTP)"<sup>7</sup>. Under the Consumer Protection Act (hereinafter CPA) 1986, a consumer is a person who buys any goods or avails or hires any service for any consideration, whether paid or otherwise, except for commercial use<sup>8</sup>. Sale of Goods Act, 1930 defined a buyer as any person who buys or agrees to buy a good<sup>9</sup>. It is evident by reading these definitions that a person who buys goods or avails services through online mediums is a consumer and is implicitly covered by the CPA 1986. However, the provisions in this act are not enough to completely redress the issues of consumers, this act is about defects and deficiencies in goods and services but in online form consumers never get a chance to see goods physically. These unclear laws and ambiguity over the redressal mechanism and jurisdictional issues have resulted in the improper disposition of complaints made in this regard. The consumer forums in India had not dealt with such cases in the proper way<sup>10</sup>. Also, this act had some lacunas in the new technological

---

<sup>7</sup> DHANYA K A, *Consumer Protection in the E-Commerce Era*, International Journal of Legal Research, Vol. 3, Issue No. 4(1) (December 5, 2019)

<sup>8</sup> Article 2(d), Consumer Protection Act, 1986.

<sup>9</sup> Article 2(I), Sale of Goods Act, 1930.

<sup>10</sup> KANIKA SATYAN, *E-Commerce and Consumer Rights: Applicability of Consumer Protection Laws in Online Transactions in India*, Social Science Research Network (SSRN), (July 5, 2015).

era<sup>11</sup>. Every law must change with the changing society to eradicate the loopholes and lacunas that appeared due to the advancement of technology and its uses in society<sup>12</sup>.

## **B. NAVIGATING THE DIGITAL AGE WITH THE CONSUMER PROTECTION ACT OF 2019**

This act was enacted to address the evolving challenges and dynamics of digital commerce, which the old act was not addressing creating chaos for consumers who buy goods and avail services through e-commerce medium, this legislation introduces several key provisions aimed at empowering consumers. The most important addition is the inclusion of "e-commerce" under consumer protection. Under this new act, consumer is defined under Section 2(16), by definition e-commerce means Buying or selling goods or services, including digital items, over a digital or electronic network<sup>13</sup>. This act provides for a territory-free legal action against any goods or service providers<sup>14</sup>. While drafting this Act, lawmakers kept in mind the needs of modern consumers and incorporated new terminologies in this Act that were not present in the old ones<sup>15</sup>. For example, in the definition of "advertisement," they have incorporated words such as – any audio, visual publicity, representation, endorsement, pronouncement made through light, smoke, gas, print, electronic media, internet, or website and includes any notice, circular, label, wrapper, invoice or such other documents; for which there is section 2(17) which talks about the electronic service provider and if there is also provision for liabilities in case of internet frauds<sup>16</sup>. This provision has enlarged the scope of this act with the objective of better protection of consumer's rights. Because of this, consumers can now file a suit against e-commerce websites when they infringe on consumer rights<sup>17</sup>.

---

<sup>11</sup> RANI ADGULWAR, *Consumer Protection and E-Commerce in India*, Arch. Egyptol J. Vol. 18, Issue No.10 (2021).

<sup>12</sup> Ibid.

<sup>13</sup> Article 2(16), Consumer Protection Act, 2019.

<sup>14</sup> MRINALI MUDOI, *Proposed Amendments to the Consumer Protection Act, 1986*, mondaq (January 26 2015).

<sup>15</sup> RANI ADGULWAR, *Consumer Protection and E-Commerce in India*, Arch. Egyptol J. Vol. 18, Issue No.10 (2021).

<sup>16</sup> RANI ADGULWAR, *Consumer Protection and E-Commerce in India*, Arch. Egyptol J. Vol. 18, Issue No.10 (2021).

<sup>17</sup> Ibid.

## C. DECIPHERING THE 2020 E-COMMERCE GOVERNANCE RULES

The Consumer Protection (E-Commerce) Rules, 2020, notified under the Consumer Protection Act, 2019 on 23 July 2020, aims to prevent unfair trade practices and protect consumers' interests and rights in e-commerce<sup>18</sup>. Some rules are:

- 1.) E-commerce platforms are mandated to provide information about products like country of origin, return policy, etc.
- 2.) E-commerce websites should establish efficient grievance redressal mechanisms.
- 3.) The rules explicitly forbid deceptive advertising practices that may mislead consumers regarding the nature, quality, or attributes of a product or service.
- 4.) Protection against unfair trade practices that could harm consumer's interests, such as false representations, deceptive pricing, etc.

Overall, the Consumer Protection E-commerce Rules 2020 Play a crucial role in fostering a fair, transparent, and consumer-friendly digital marketplace, thereby empowering consumers to navigate the e-commerce landscape with confidence and trust.

## IV. CONSUMER EDUCATION AND AWARENESS INITIATIVES

In the world of e-commerce, where transactions take place virtually rather than in person, consumer awareness and education are crucial. Given the size and anonymity of the digital marketplace, consumers' rights and duties can occasionally be obscured, making education and awareness programs essential to their protection.

In e-commerce, the significance of consumer awareness cannot be emphasized. Knowledgeable consumers are the cornerstone of a thriving market. They can distinguish the distinct indications of fraud and deceit, understand their rights, and make well-informed decisions. By enabling customers to successfully exercise their rights, demand quality, and seek value, awareness fosters fair trade practices.

---

<sup>18</sup> HAIMANTI SENGUPTA, DR. BASANTI MATHEW MERLIN, *Consumer Protection in India and Online shopping: The Emerging Trend*, International Journal of Creative Research Thoughts (IJCRT) Vol. 11, Issue no. 1 (2023).

NGOs and governments both make substantial contributions to increasing consumer consciousness. The Department of Consumer Affairs in India has started campaigns to inform customers about their rights and obligations, such as "Jago Grahak Jago". Non-governmental organizations (NGOs) like Common Cause and the Consumer Guidance Society of India have served a crucial role in arranging workshops, carrying out quality assessments, and offering customers legal support<sup>19</sup>.

E-commerce platforms must guide their customers. They may cultivate trust and loyalty by offering straightforward policies, well-defined product information, and efficient customer service<sup>20</sup>. Platforms can leverage their reach to spread knowledge about data privacy, secure transaction methods, and consumer rights. For example, in India, the Consumer Protection (E-commerce) Rules, 2020, and the Consumer Protection Act, 2019 require e-commerce businesses to prominently post terms of contract and grievance redressal methods, thereby promoting consumer education<sup>21</sup>.

E-commerce sites can also use technology to develop engaging educational programs about safe online buying procedures and consumer rights<sup>22</sup>. They can work with educational institutions to create consumer rights and digital literacy courses, training the future generation of consumers in the intricacies of the digital economy<sup>23</sup>.

## V. PIONEERING STRATEGIES IN DIFFERENT COUNTRIES

As India navigates its e-commerce odyssey, it can draw valuable insights from pioneering strategies employed in other countries to empower consumers in digital marketplaces. Several nations have implemented innovative approaches to address the unique challenges posed by e-commerce while promoting consumer welfare. Here are some recommendatory solutions used in other countries that could be adapted in India:

---

<sup>19</sup>Department of CONSUMER AFFAIRS, Master Circular, National Action Plan for Consumer Awareness and Redressal and Enforcement of Consumer Protection Act, 1986.

<sup>20</sup> NEELAM CHAWLA, BASANTA KUMAR, *E-Commerce and Consumer Protection in India: The Emerging Trend*, Journal of Business Ethics, Vol. 180, (July 9, 2021).

<sup>21</sup> CORRESPONDENT, *NGOs Vital for Consumer Awareness*, The Tribune (December 23, 2023).

<sup>22</sup> SHIVANGI PRIYA, "What Is the Role of E-Commerce in Shaping Consumer Behaviour?", Lingaya's Vidvapeeth, (February 15, 2024).

<sup>23</sup> Id.



**(i) Online Dispute Resolution (ODR) Platforms:**

Countries like the Netherlands and the United Kingdom have established dedicated Online Dispute Resolution platforms to facilitate the resolution of consumer disputes arising from online transactions. Talking about Consumer Trust and Security the European Union's General Data Protection Regulation (GDPR) has set a benchmark in protecting consumer data, thereby increasing consumer confidence in e-commerce transactions<sup>24</sup>.

**(ii) E-commerce Infrastructure:**

Countries like South Korea and Singapore have invested heavily in high-speed internet connectivity and logistics networks, which are critical for the seamless operation of e-commerce platforms<sup>25</sup>. In countries such as Australia and Canada, consumer feedback mechanisms play a crucial role in enhancing transparency and accountability in e-commerce.

**(iii) Governmental and Legal Frameworks:**

In China, the government has introduced policies that encourage innovation and competition in the e-commerce sector, leading to a thriving online market with diverse choices for consumers<sup>26</sup>.

**(iv) Enhanced Consumer Education:**

Countries like Japan and the United States have prioritized consumer education initiatives to equip individuals with the knowledge and skills necessary to navigate the complexities of online shopping safely. Initiatives like the 'Digital Literacy Campaign' in the United States aim to inform consumers about safe online practices and the advantages of e-commerce.

If we seek a legal method through which we can use approaches of other countries to adopt in India there is article 253 of the Indian constitution which provides the Union Parliament with the power to make laws concerning matters that are listed in the Union List (List I) of the Seventh Schedule<sup>27</sup>. One of the items listed in the Union list is "inter-state trade and commerce". This

---

<sup>24</sup> GUILHERME D. PIRES, JOHN STANTON, PAULO RITA, *The internet, consumer empowerment and marketing strategies*, European Journal of Marketing, Vol. 40, Issue 9/10 (September 1, 2006).

<sup>25</sup> JAMES AGARWAL & TERRY WU, *Emerging Issues in Global Marketing* 231-278 (2018), <https://link.springer.com/book/10.1007/978-3-319-74129-1>, Last visited on September 28, 2024.

<sup>26</sup> Id.

<sup>27</sup> 253, Part XI, Schedule VII, The constitution Of India, 1950.

constitutional provision can indeed be utilized as a solution approach in the context of empowering consumers in India's e-commerce sector.

## VI. PROSPECTS AND RECOMMENDATIONS

In the dynamic landscape of India's e-commerce sector, several loopholes and challenges undermine consumer empowerment and protection. However, various solutionary approaches can be implemented to address these loopholes and strengthen the regulatory framework governing e-commerce. Here are some recommended solutions:

### **(i) Enhanced Regulatory Oversight:**

Regulatory authorities such as the Ministry of Consumer Affairs, the Competition Commission of India (CCI), and the Reserve Bank of India (RBI) must collaborate to strengthen oversight mechanisms. This includes clarifying the liabilities of intermediaries, defining unfair trade practices in the digital context, and establishing clear guidelines for data protection and privacy<sup>28</sup>.

### **(ii) Legislative Reforms:**

Amendments to the Indian Consumer Protection Act of 2019 can introduce provisions specifically addressing issues such as data privacy, counterfeit products, unfair trade practices, and liability of e-commerce platforms.

### **(iii) Enhancing Cybersecurity Measures:**

Mandating end-to-end encryption for transactions and regular security audits can minimize the risk of data theft and fraud<sup>29</sup>. Technologies such as blockchain and digital signatures can be leveraged to ensure the authenticity and integrity of online transactions.

### **(iv) Data Localization and Protection:**

Adopting data localization norms to ensure that consumer data is stored within national boundaries can prevent data leakage and enhance legal jurisdiction over data-related disputes<sup>30</sup>.

---

<sup>28</sup> NEELAM CHAWLA, BASANTA KUMAR, *E-Commerce and Consumer Protection in India: The Emerging Trend*, Journal of Business Ethics, Vol. 180, (July 9, 2021).

<sup>29</sup> SARVESH M., *Deep Dive: What's Wrong with India's E-Commerce Rules and How Can They Be Fixed?* MEDIANAMA (June 23, 2022)

<sup>30</sup> DIVITA GUPTA, *E-commerce loopholes that are likely to be fixed by India's e-commerce policy*, Avalara (Aug. 6, 2020).

**(v) Strengthening Dispute Resolution Mechanisms:**

This may involve establishing specialized e-commerce dispute resolution bodies or expanding the jurisdiction of existing consumer forums to adjudicate online disputes swiftly and efficiently.

## **VII. CONCLUSION**

In the ever-evolving digital marketplace of India's e-commerce landscape, it is imperative to address the loopholes and challenges that undermine consumer empowerment and protection. The legal evolution from the Consumer Protection Act of 1986 to the Consumer Protection Act of 2019 signifies a proactive response to the changing dynamics of e-commerce. However, gaps remain, necessitating further legislative reforms and regulatory enhancements. Leveraging Article 253 of the Indian Constitution provides a constitutional basis for the Union Parliament to enact comprehensive legislation, ensuring uniformity and consistency in addressing e-commerce challenges across all states. Drawing insights from pioneering strategies in other countries, India can adopt innovative approaches such as Online Dispute Resolution platforms, enhanced consumer education initiatives, and robust cybersecurity measures to bolster consumer protection in the digital marketplace. By strengthening regulatory oversight, enhancing legislative frameworks, and promoting technological innovations, India can create a conducive environment that fosters consumer trust, transparency, and confidence in e-commerce transactions.

In conclusion, empowering consumers in India's e-commerce odyssey requires a multifaceted approach that integrates legal reforms, regulatory enhancements, and technological innovations. By embracing solutionary approaches and learning from global best practices, India can navigate its digital emporium exploration with resilience, ensuring that consumer rights are upheld, and e-commerce thrives as a driver of economic growth and innovation in the nation.