

Consumer Protection in E-Commerce: Safe Online Shopping and E-Filling

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ABSTRACT:

The main object of the consumer protection act 2019, to protect the consumer in the online shopping and created a awareness to the consumers. This article explores the evolution of consumer protection in e-commerce, e-filling, consumer against fraudulent, dishonest or misleading internet advertising as well as prevalence of such practices.

KEYWORDS: Consumer protection act 2019, consumer rights, consumer protection (e-commerce) rules 2020. Consumer protection act, 1986.

INTRODUCTION:

The internet's growth is aided by recent technological advancements, which have also significantly altered India's consumer and business landscape. The demand for commodities that the supply chain depends on is created by consumers, who are an essential part of the commercial world. Because of this technology, customers have developed the habit of using a mouse to access pleasant and convenient buying options without having to deal with crowded marketplaces or rude salespeople that act haughtily. Electronic financial transfers and electronic data interchange are examples of the technologies that have emerged in this information age and developed into e-commerce, which is the term for commercial operations made possible by technology. ¹According to a recent IBEF estimate, India's e-commerce business is therefore anticipated to grow to \$350 billion by 2030. It is projected that the Indian online grocery market would grow at a compound annual growth rate (CAGR) of 57% to reach \$18.2 billion in 2024. The exchange of goods and services via the Internet is known as electronic commerce. E-commerce can take many different forms, just as there are diverse methods to shop online. The following are some typical business models that influence the e-commerce industry. commercial and business activities. As a result, internet-based e-commerce transactions enable consumers and businesses to enter into contracts for the exchange of goods and services anywhere in the world, regardless of physical borders, at 24/7 basis. The features contribute towards the massive growth of e-commerce on a global scale, but they also have limitations too. The benefits of e-commerce are growing rapidly, offers global marketing reach, provides the ease of ordering products online, generally involves lower operating costs, and gives direct-to-consumer access but on the other hand it also have disadvantages such as Limited face-to-face interaction, technical difficulties, data security and challenges of shipping and fulfilling orders at scale and so on. While there are various challenges in the conduct of e-commerce transactions, the consumer protection in e-commerce transactions is of utmost

¹ <https://repository.nls.ac.in>

substance. This is so if issue of consumer protection not properly addressed with the adequate mechanism than it may adversely affect the fair competition and the free flow of truthful information in marketplace and may lead to fraud and deception on consumers in respect to their conduct of e-commerce transactions. Hence, researcher analyses the consumer protection provided in this e-commerce world.

MEANING OF CONSUMER PROTECTION :

Consumer protection means protection of consumer from unfair trade practices. **RAGHUBIR SINGH V THAURAIN SUHRAJ KUAR** . in this case explained detailed about the protection is to avoid consumers exploitation at the end on business community and to hold back various business malpractices. Usually commercial organization are well organized. Better informed and have a better dominating position in the market.

It was **Mr. John F. Kennedy**, the former president of United States of America, introducing the “**BILL OF CONSUMER RIGHTS**”, In US congress (1962), for the first time has set out the four basic consumer rights, which includes 1) Right to safety 2) Right to information 3) Right to choice 4) Right to be heard.

ANALYSIS INTO DRAFT AMENDMENT TO THE 2020 RULES TO PROTECTION (E-COMMERCE) AND THE ACT OF 2019:

Consumers are safeguarded and consumer tribunals are established for dispute resolution under the 2019 consumer protection act. (1) The act gives the central government the authority to take action to stop unfair trade practices and defend the rights and interests of online shoppers.

According to the act E-commerce is the purchasing and selling of product and services using a internet. The act's consumer protection (E-Commerce) Rules, 2020, which was discuss about the responsibilities and liabilities of e-commerce.

IMPORTANT POINTS OF THE DRAFT RULES:

- The act of 2013 defines related parties of an e-commerce company, and the draft rules explain the definition of an e-commerce to include entities employed by an e-commerce entity to complete orders.
- The vendor fails to provide the products or services to the consumers on online marketplaces will have a backup plans.
- The draft rules control tactics related to misspelling, cross-selling and flash sales.

Basis	Consumer protection act, 1986	Consumer protection act, 2019
Pecuniary jurisdiction	District forum – upto Rs.20 lakhs State commission – from Rs.20 lakhs to Rs.1 crore National commission – Rs.1 crore and above	District forum – upto Rs.1 crore (section 34(1)) State commission – from Rs.1 crore to Rs.10 crore (section 47) National commission- from Rs.10 crore and above (section 58)
Territorial jurisdiction	Where seller has office	When complainant resides or works (section 34(2))

Regulator	No such provision	Central consumer protection authority to be formed (section 10)
Mediation	No such provision	Court can refer for settlement through mediation (section 80)
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Appeal	Earlier 30 days period for appeal against the order of district forum (section 15) earlier 50% or 25,000 whichever is less is to be deposited	Period of 45 days allowed for appeal (section 41) 50% of award amount is to be deposited.
E-commerce	Earlier no specific mention	All provision applicable to direct seller has been extended to e-commerce
Composition of state commission	President and 2 other members	President and 4 other members ²

COMPRACTIVE STUDY OF CONSUMER PROTECTION ACT,1986 AND CONSUMER PROTECTION ACT 2019:

CONSUMER PROTECTION AND E-COMMERCE:

According to a bain & co, analysis, India's e-commerce business has the potential to overtake the us and become the second-largest shopper base in the next one to two years, with 190 online shoppers in 2021. India is currently the world's third –largest online consumer base, after the us and china. As a result of the internet's widespread use and the closing of the gap between rural and urban areas, consumers in small towns may now purchase the same high-quality, branded goods that were previously only available in larger areas. In addition to achieving the goal of the digital initiative, "power to empower" the country is evolving into a knowledge economy. How society, including consumers and business establishments, engages with businesses has been profoundly changed by information and communication technology. E-commerce through the internet and computer use have increased e-transactions in today's world. The impact of recent technological developments and the enormous convergence of e-commerce transactions has drawn the attention of government, corporations, international organizations, and individual consumers. These developments are not only helping business endeavors to grow, but they also present a number of challenges and confrontation to different segments of the social and individual interests, such as privacy violations, data protection, and consumer protection. Therefore, the difficulties presented by e-commerce highlighted the necessity of creating a legislative framework to address these difficulties in order to provide sufficient protection for consumer rights, additionally, it created a need to support the expansion of e-commerce by providing a related and safe system to complete e-commerce transactions on the one hand and satisfy consumer protection requirements on the other under the new e-commerce requirements on the other under the new e-commerce phenomena.

² <https://www.researchgate.net>

Online shopping rights for consumers:

Information: customers are entitled to precise and lucid details about the goods and services they are buying online. This contains details on the cost, standard, amount and conditions of delivery.

Fair dealing : customers have a right to honest and equitable treatment from online retailers. This includes having the rights to be shielded against unfair or dishonest business methods.

Choice: customers are entitled to select from a range of goods and services provided by various online retailers.

Remedy: if customers are unhappy with the goods or services they have ordered online. They are entitled to pursue remedy.

E-commerce has offered customers convenience and compensation in the market for buying and selling products and services, but it has also put consumers at risk of serious violations of their fundamental rights and interests via e-commerce portals the primary advantages and opportunities that e-commerce offers to consumers and business organizations are: a) increased choice and global access: b) improved competitiveness and service quality: c) mass customization and personalized goods and services: d) the removal of middlemen and product availability: e) increased efficiency and reduced costs: f) new business opportunities and new goods and services, etc. However, a number of consumers are concerned about the infringement of their fundamental rights, which are acknowledged on a worldwide scale.²⁹ when it comes to e-commerce transactions, the main consumer concerns from the standpoint of consumer protection are

1. Consumer's exposure to unfair marketing practices:

- Insufficient information disclosure, for example, refund policies, cancellation terms, warranty information.
- Contract terms, for example, their enforceability
- Merchandise and delivery practices, for example, failure to perform and lateness.
- Payment, for example, recovering fraudulent charges if credit card information falls into criminals hands.
- Transaction confirmation and cancellation policies, for example, consumer's lack of knowledge on cancellation rights for online transactions, including for mistakenly made purchases.
- Fraud and deception, for example, lack means to authenticate merchandise purchased online.

2. Unsafe product.

3. Confidentiality of any information which consumers provide.

4. Identify of seller.

5. Effective grievance system and legal remedies, if anything goes wrong.

6. Protection from the ill effects of high competitive markets which may include selling of same product of different prices.

7. Goods delivered should correspond to the description, quality and quantity for which consumer has effected paid for.

8. Delivery of goods at the correct place and the correct time.

9. Insecure payment methods.

10. Loss of personal privacy (violation of data privacy)

11. Risk misuse of personal information.³

³ <https://www.ijfmr.com>

Protection of consumers in e-commerce :

The practice of purchasing and selling goods and service online, or e-commerce, is one that is growing quickly. In India , the majority of the retail sector is unorganized. E-commerce will only account for about 3% of the retail industry by 2021; organized retail, or actual storefronts, will make up 10% . The following benefits of e-commerce are projected to materialize: the three primary advantages are more customer choice, reduced entry barriers for new companies (making it easier to acquire clients online), and improved industry efficiency and competitiveness. Nonetheless, there are a few more challenging and recent issues with e-commerce consumer protection. The following e-commerce- related observations were made by the united nations conference on trade and development in 2017.1) when shopping online, consumers are more vulnerable to dishonest and misleading behavior: 2) because of the complexity of terms and conditions and the nature of the internet, consumers may not always have timely access to information: 3) consumers may finds a way to communicate with businesses regarding liability and arrangements for delivery, return, and exchange of goods; 4)privacy and data protection concerns are more significant ; and 5) issues with enforceability may arise in the event of cross-border transaction. In addition to customers, seller, and product manufacturers, a legislative framework for e-commerce consumer protection may also need to address the question for low liability should be allocated among other parties, such as logistical service providers and online marketplaces. This is in contract to physical commerce, where marketplaces and logistics companies frequently have nothing to do with a customer's purchase fulfillment. Online marketplaces, which operate as a between for buyers and sellers in transactions, have become increasingly significant in the e-commerce industry. online marketplaces bring several consumers and sellers together on a single platform. They provide customers more options to choose from and give suppliers an opportunity to reach a wider audience. Depending on their level of involvement in payment processing, inventory management, and ensuring the quality, safety, or delivery of goods or services, they might play a different role in a transaction. Because of the aforementioned issues, e-commerce may necessitate a different approach to consumer protection than traditional forms of trade. The 2020 rules and the proposed amendments specific obligations for e-commerce companies, which are different from those of similar organization in traditional retail. A grievance redressal system, the requirement to designate certain personnel for compliance, and restriction on connected parties and affiliated enterprises are a few of these.

Safeguarding consumer interest in electronic commerce:

Customers are more at risk than sellers or companies while doing business online. Also referred to as consumers' rights, these are particularly at risk in online transactions due to the nature of e-commerce, particularly the fact that the buyer and seller are never in close proximity to one another, which can result in a number of problems. (Eficandra, 2022) Customers who make purchases online are protected under the Information Technology and Electronic Transactions Law and the Consumer Protection Law. The ITE Law protects online shoppers, while the Consumer Protection Law was passed by the government of Indonesia to protect consumers (Ariansyah et al., 2021). The problems that result from e-commerce transactions, as previously said, will be clarified in the explanation that follows.

Safeguarding personal information for consumer:

An individual, group, or institution has the right to regulate how information about them is shared, which is known as the right to privacy (Makarim, 2005). Although they haven't been discussed much in Indonesia, privacy concerns definitely exist. In contrast, privacy is seen as a basic human right in other countries. More than merely the right to keep one's personal or professional activities private, privacy

also refers to the freedom from interference, independence, and isolation, as well as the control over how one's personal information is disclosed to other parties. In the world of e-commerce, when things go wrong, it's usually because someone has misused information they've gathered on members of their organization or from a business's clients.

Online registration:

On shopping and marketplace websites, registration is usually necessary in order to make purchases or utilize all of the services. The user's name, email address, physical address, city of residence, username, password, gender, date of birth, income, and employment are usually requested on a website's registration form. To finish a purchase, some websites even request credit card information. Giyarsi and Tasika (2022) If the aforementioned requirements are not fulfilled, customers and website visitors will not be able to fully utilize all of its capabilities.

The problem is that customers frequently don't know what happens to the information they provide firms, including extremely private information like credit card numbers, names, and addresses. Online companies can typically use the gathered data for social media platforms and advertising in order to customize web application sites to user requirements (Kruikemeier et al., 2020).

ITE law should mandate that e-commerce websites that collect consumer data reveal how they collect and use that data. The definition and extent of personal data adopted are both broad and protective, allowing persons who have incurred injury due to inappropriate use of their data to claim for damages. Article 26 of the ITE Law provides adequate legal protection for personal data.

Every e-commerce website's privacy policy should include information on the use of cookies, the details of the personal data collected, and security for extremely sensitive data, such as credit card numbers. Even though it would show prospective buyers and consumers that the website cares about protecting the privacy of their personal information, many e-commerce websites, such as rakitan.com, indolcd.com, and others, do not have a privacy statement on their homepages.⁴

JAGANARAYAN LAL VERSUS DOTOR SMT. GIRIJA TIWARI [2021 (9) TMI 1158 – SUPREME COURT]

'karta' of a joint Hindu family filed a consumer complaint against a clinic alleging deficiency in service regarding the treatment given to his pregnant sister in law. The appellant contended in the complaint that he availed the services for consideration on behalf of his sister-in-law as a 'karta'. The complaint was dismissed. On appeal the state commission. Dismissed the appeal and also the national commission. The appellant filed the present appeal before the supreme court against the dismissal order of national commission. The supreme court observed that a consumer means any person who hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised and includes a beneficiary of services. The brother-in-law of a pregnant women would not be beneficiary of any services rendered by the respondent. There is no allegation that he has paid or promised any consideration for engaging the services of the respondent. The only assertion in the complaint is that he is the 'karta' of a joint Hindu family, therefore, he is entitled to file a complaint on account of the alleged deficiency of service by the respondent. The concept of joint Hindu family does not extent to the treatment of a pregnant sister-in-law. No objection regarding maintainability of complaint was raised either before the state commission or the national commission, but such issue of maintainable on the

⁴ <https://gaspublishers.com>

bare assertions of the complaint alone. Since the complaint itself was not maintainable the present appeal was dismissed by the supreme court.

NEENA ANEJA AND ORS. VERSUS JAI PRKASH ASSOCIATES LTD.[2021 (9) TMI 1155-SUPREME COURT

The appellant filed a complaint before the national commission for a claim of Rs.2.19 crores on 18.06.2020. the national commission dismissed the appeal on the grounds of pecuniary jurisdiction. The pecuniary jurisdiction of the national commission has been increased from one crore to Rs.10 crores by the new consumer protection act, 2019 which came into force from 20.07.2020. The appellant filed review petition before the national commission which was also dismissed. Therefore the appellant filed the present appeal before the supreme court.

The supreme court held that the proceedings instituted before the commencement of the act of 2019 on 20.07.2020 would continue before the for a corresponding to those under the act of 1986 and is not to be transferred in terms if pecuniary jurisdiction set for the for a established under the act of 2019. The supreme court gave the following directions-

The impugned judgment and order of the national commission dated 30.07.2020 and the review order dated 05.10.2020 directing a previously instituted consumer case under the act of 1986 to be filed before the appropriate forum in terms of the pecuniary limits set under the act of 2019, shall stand set aside.

As a consequence of the above, the national commission shall continue hearing the consumer case instituted by the appellants.

All proceedings instituted before 20.07.2020 under the act 1986 shall comes to be heard by the for a corresponding to those designated under the act of 1986 as explained above and not be transferred in terms of the new pecuniary limits established under the act of 2019, and

The respondent shall bear the costs of the appellant qualified at Rs 2 lakhs which shall be payable within four weeks.

CONCLUSION:

A updated law known as the Consumer Protection Act of 2019 gives customers many rights and advantages, including protection from deceptive or unfair advertising and unethical business practices. In order for the parties to choose a prompt and efficient resolution of consumer disputes, the Act permits consumers to look for mediation and other dispute resolution procedures. The Act's provisions for electronic complaint and e-consumer filing demonstrate the legislature's forward-thinkingness. Additionally, the Act added additional provisions like unfair contracts and product liability, which expanded the protection of consumer rights and gave them the option to complain when their rights were violated.

Therefore, the measures in this close the gaps in the 1986 Consumer Protection Act. The Act's passage was crucial because it altered the scope of the nation's consumer rights protection efforts. The CP Act of 2019 was designed to accommodate all types of consumers, whether they shop online, over the phone, or in person; appropriate safeguards have been included to lessen deceptive advertising. The Act meets the needs of online shoppers by offering a quicker dispute resolution process for grievances and a novel approach to mediation for dispute resolution.