



# E-COMMERCE AND CONSUMER PROTECTION

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**Abstract:** Given the rapid-fire growth and arising trend of-commerce have changed consumer preferences to buy online, this study analyses the current Indian legal frame that protects online consumers' interests. A thorough analysis of the two recently legislated laws, i.e., the Consumer Protection Act, 2019 and Consumer Protection(E-commerce) Rules, 2020 and literature review support analysis of 290 online consumers answering the exploration questions and achieving exploration objects. The significant findings are that a secure and dependable system is essential for-business enterprises to work successfully; cash on delivery is the precedence option for online shopping; website information and effective client care services make a client's trust. The new regulations are arguably strong enough to cover and guard online consumers' rights and boost India's-commerce growth. Besides factors similar as security, sequestration, bond, client service, and website information, laws governing consumer rights protection in-commerce influence guests' trust. Growing-commerce looks promising with a robust legal frame and consumer protection measures. The findings contribute to the body of knowledge one-commerce and consumer rights protection by expounding the crucial factors that affect client trust and fidelity and offering an instructional perspective one-consumer protection in the Indian environment with broader counteraccusations.

**Index Terms – E-Commerce, Consumer, Protection , Literatures**

## I. INTRODUCTION

The term «e-commerce, » which stands for «buying and selling» in the context of the internet, describes the practice of conducting business transactions electronically. This has led to a meteoric rise in the country's e-commerce sector in recent years. Consumers must be well-versed in their rights and the legal framework governing online transactions due to the proliferation of e-commerce in the nation. **Special Provision for E Commerce** This involves giving a specialized customer service system, ways to resolve disputes, and a quick refund or replacement for faulty products. Studying e-commerce and consumer protection in India involves examining the evolving landscape of online commerce and the measures in place to safeguard consumer interests.

## E-Commerce Growth

Long ago, in 1981, the Boise Computer Exchange revealed their first e-commerce platform, and the first online transaction took place. The expansion of the internet is closely related to the increasing pipeline of online commerce. The hitherto sluggish business-to-business sector is being prodded by factors such as the proliferation of tech-savvy millennials in the workforce, the pervasiveness of mobile devices, and the undeniable dominance of e-commerce platforms. A perfect storm is about to smash the roughly \$1 trillion B2B e-commerce sector, which is fueling the expansion of B2C companies.

The global retail marketplace has now been transformed by e-commerce. Given the rising purchasing power of consumers throughout the world, the explosion of social media users, and the ever-increasing speed of infrastructure and technology, it is clear that e-commerce is a dynamic and rapidly growing business model. Online shoppers still value variety and ease of use, according to an analysis of the development trend in e-commerce, particularly after 2016. A closer look at the e-commerce industry reveals that by 2021, over 70% of the population will have access to the internet, and that the percentage of people with mobile phones has increased to about 48%.

The Africa-Atlantic area is home to more than 75% of the world's e-commerce, thanks to its extensive infrastructure and interconnectedness. With 57 index values, India jumped seven spots from its 2018 ranking of 80th to 73rd in the UNCTD B2C E-commerce Index 2019, which ranks economies according to their readiness to accommodate online shopping. With a rising middle class, more disposable income, a 4G network, content available in local languages, and an internet penetration rate of about 50%, India's e-commerce business quickly rose to the top of the economic pack. Thanks to well-funded infrastructure and supportive policies, the e-commerce business reached \$64 billion in 2020, a 39% increase from 2017 and an ambitious goal of reaching \$200 billion by 2026 at a CAGR of 21%.

It appears that the announcement of demonetisation on November 9, 2016, and the government's Digital India campaign, which began on July 1, 2015, are the primary causes of this tremendous expansion of the country's e-commerce sector.

### **.Literature Review**

They went on to talk about the codified rules that regulate online goods sales and purchases inside the E-Commerce zone, as well as the idea or structure of jurisdictional authority for settling online dispute resolution issues. Hina Kausar's paper «E-Commerce and the Rights of E-Consumers» discusses the benefits of online purchasing in general, why consumer protection laws are necessary, and how to protect e-consumers specifically. The articles stress the need of online buyers having accurate and thorough information about the business, the goods or services on offer, and the whole buying process. The article goes on to list some of the downsides of online purchasing, such as the fact that buyers and sellers don't meet in person and the measures taken by e-commerce platforms to ensure that consumers receive high-quality products. The paper goes on to talk about the codified rules that regulate online goods sales and purchases inside the E-Commerce zone, as well as the idea or structure of jurisdictional authority for settling online dispute resolution issues. Hina Kausar's paper "E-Commerce and the Rights of E-Consumers" discusses the benefits of online purchasing in general, why consumer protection laws are necessary, and how to protect e-consumers specifically (Kausar, 2020). The articles stress the need for online buyers to have accurate and thorough information about the business, the goods or services on offer, and the whole buying process. The article goes on to list some of the downsides of online purchasing, such as the fact that buyers and sellers don't meet in person and the measures taken by e-commerce platforms to ensure that consumers receive high-quality products.

This article does not, however, provide a critical analysis of the legislative framework supporting online commerce in India or the processes put in place to safeguard online shoppers. Publication from the United Nations Conference on Trade and Development on the topic of consumer protection in online transactions highlights these aspects. This UNCTAD Secretariat brief on consumer protection in electronic commerce discusses the problems that online shoppers encounter and suggests legislative measures to help online shoppers feel more secure (UNCTAD, 2019). In order to ensure the safety of online shoppers, the letters stress the importance of improving the worldwide harmonization and coordination of policies.

To boost consumer trust in online shopping, the document outlines a range of legislative efforts, including consumer education, ethical business practices, and international collaboration (UNCTAD, 2019).

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## **II. RESEARCH METHODOLOGY**

### **The Chapter Overview**

The research is based on online responses from participants and direct personal investigations into topics like customer expectations of quality in online shopping and the challenges faced by companies when providing products and services. Two research tools, a questionnaire and an interview guide, were used for this purpose.

### **Sample Techniques**

The research survey focuses on customers' E-Commerce actions. Thirty customers from all types of E-Commerce, thirty employees from Business to Employee E-Commerce, and managers from all types of E-Commerce are selected using a random sample technique. There are many Indian E-Commerce firms and international brands available for E-Commerce deals.

### **Research Area**

E-Commerce firms are located in cities like Mumbai, Pune, Delhi, and Bangalore. In India, there are many e-commerce companies and international brands available for online shopping.

## **DATA ANALYSIS AND INTERPRETATION**

Authorities: Central Consumer Protection Authority

The Act, 2019 establishes the Central Consumer Protection Authority to provide regulatory, investigative, or adjudicatory services to safeguard consumers' rights. The CCPA can regulate, inquire, and investigate consumer rights violations and unfair trade practices on its own initiative, in response to complaints from aggrieved consumers, or in response to a government directive. Recalls of potentially harmful or unsafe items or services are in high demand.

## **REDRESS MECHANISM**

Even though online shopping and payment processing have been all the rage recently, it's worth noting that Indian consumers still have a ways to go before they fully trust and credit business purchases made on the internet. Concerns about data security and privacy, product quality,

delivery reliability, availability of replacement parts, where to file complaints, and unreasonable terms and conditions are typical of online shopping. An enormous problem in online commerce, especially when dealing with international transactions, is the «country of origin» of the commodity. Online shoppers are understandably wary and distrustful due to the gaps in consumer protection legislation such as the Consumer Protection Act of 1986.

Due to the critical nature of digital payments, the Indian government's demonetization program has prioritized the safety of online transactions and the protection of online shoppers. Thus, on July 7, 2020, the Consumer Protection Rules, 2020 were put into force to address the e-commerce obstacles, and on July 20, 2020, the Consumer Protection Act, 2019 replaced the Consumer Protection Act 1986.

#### Deficiency in Act, 1986 and Key Feature of the New Act Governing E-Commerce Consumer Protection

The rapid expansion of online shopping has opened up new avenues for product and service delivery and given shoppers more options than ever before. The Act of 2019 is all about ordering or buying every good or services over the digital or electronic network, involving digital products and an individual who provides technologies enabling a product seller to participate in the advertisement/selling goods/services to a consumer. Furthermore, online-market places or online auction places are also acknowledged.

#### Authorities: Main Consumer Protection Force

The Act of 2019 introduces, in addition to the current three-level grievance redress organization, the formation of the Main Consumer Protection Force to provide regulatory, investigational, or judicial services to defend consumers' rights. The MCPF holds the power to adjust/examine/research consumer rights abuses and unjust trade practice spontaneously or on a grievance obtained from a distressed consumer or on an instruction from the government. Carry out examinations into breaches of consumer rights and commence lawsuits.

#### Mediation

Section 81 maintains that no appeal lies against the order passed by Mediation implying that the redress process at the initial stage would be speeding, impacting both the consumers and service providers.

#### Applicability

In the marketplace model, an e-commerce entity has an information infrastructure platform on a digital and electronic network that facilitates the consumer and the seller. An e-commerce entity is offering goods or services to consumers in India but not established in India.

#### General Duties of E-commerce Entities

An e-commerce entity must a company incorporated under the Companies Act. He would acknowledge the complaint's receipt within 48 h and resolve the complaint within a month from receipt of the complaint. They cannot impose cancellation charges on consumers unless they bear similar costs. They have to affect all payments towards accepted refund requests of consumers within a reasonable period.

#### Sellers' Duties on the Marketplace

He should not falsely represent himself as a consumer and post-product review or misrepresents any products essence or features. He would have a prior written contract with the e-commerce entity to undertake a sale. He would appoint a grievance officer for consumer grievance redressal. He will provide the e-commerce company with its legal name, the primary geographic address of its headquarters and all subsidiaries/branches, the name and details of the website, e-mail address, customer contact details such as faxes, landlines and mobile numbers, etc...

#### Duties and Liabilities of Inventory E-commerce Entities

The Act 2019 have several provisions for regulating e-commerce transactions with safety and trust. In a recent judgment in Consumer Complaint No 883 of 2020 M/s Pyaridevi Chabiraj Steels Pvt. The Rules 2020 strike a balance between the responsibilities of e-commerce business owners and on-the-platform vendors. The observation is that limited liability partnerships are missing from the e-commerce entities.

The COVID-19 impact has pushed the government to adopt and encourage online compliant filling procedures through the National Consumer Helpline. Using various APPs is likely to expedite the adjudication process and benefit the aggrieved consumer and build trust in the governance system..

### III. CONCLUSIONS AND SUGGESTIONS

One of the main reasons people didn't buy online was because they didn't trust the items or the companies who made them. India is only one of several countries where e-commerce has been booming because to the widespread availability of the internet and the proliferation of mobile devices. New forms of distribution have emerged as a result of the rapid development of e-commerce. Premature judgments on its efficacy in guaranteeing online customer safety and security are hinted to in the recent Act and Rules, which lag behind six months of practical experience.

Online shoppers are becoming more confident in the safety and security of their purchases, according to the positive reactions from these customers. Online shoppers in India may rest certain that their personal information will be protected as the country's e-commerce sector grows thanks to government regulations and court orders. An educated consumer who has easy access to the right laws for electronic transactions is

more than capable of looking out for his or her own interests, which is especially crucial in this age of ubiquitous electronic devices. Proper product information is crucial for online shoppers because it allows them to weigh the pros and drawbacks of a specific transaction.

In light of these realities, it is crucial to have the appropriate laws in place to safeguard online shoppers. It is crucial for member states to update their E-Commerce laws to address new challenges as they arise in light of the innovations in this digital age. To safeguard consumers from any damage caused by abusive behaviours in E-Commerce, strong laws that are also easily enforced are crucial to strengthening cyber-consumers.

## SUGGESTIONS

I. Implement robust data governance frameworks to ensure responsible collection, storage, and use of consumer data.

II. Prioritize data privacy and security measures to build consumer trust in e-commerce platforms.

III. Develop in-house analytics teams or leverage external expertise to harness the power of data for business insights and consumer protection.

IV. Launch consumer education campaigns to raise awareness about rights, responsibilities, and safe practices in online transactions.

V. Participate in policy dialogues and contribute to the formulation of regulations that balance innovation with consumer interest..

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