

Navigating Consumer Rights while Online Shopping in the Digital Age: Legal Remedies in Consumer Protection (E-Commerce) Rules, 2020

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Abstract: *Consumer protection in the digital era presents a multi-faced challenge due to the lightning-fast technological advancement and the developing nature of online commerce (e-commerce). As consumers are progressively involved in digital transactions, concerns regarding data privacy, online fraud, misleading advertising, and inadequate redress mechanisms have become paramount..*

Keywords: Consumer protection

I. INTRODUCTION

Consumer protection in the digital era presents a multi-faced challenge due to the lightning-fast technological advancement and the developing nature of online commerce (e-commerce). As consumers are progressively involved in digital transactions, concerns regarding data privacy, online fraud, misleading advertising, and inadequate redress mechanisms have become paramount.

Consumer protection is a pivotal component of an advanced economy, with the objective of safeguarding the rights of consumers against unfair trade competition and ensuring fair and effective dispute resolution mechanisms. India is seen as one of the emerging market economies and has made noteworthy steps in consumer protection with the Consumer Protection Act, of 2019 fortifying the legal framework for consumer rights.¹

In technological parlance, online shopping is one of the most widely used mechanisms for buying products and services through the Internet. Online shopping and the use of online services have gradually become commonplace due to accessibility and often, lower prices and discounted offers. Some benefits and conveniences are offered by online service providers. However, certain disadvantages are tagged along with the same, which inter alia include the risks of inaccuracy or deficiency of goods and services provided to the consumers.²

India is the world's second-largest market, with over 800 million users and 125.94 lakh crore UPI transactions in 2022. In India, almost all pin codes have experienced the initiation of e-commerce. In India, it is tier-two cities and small towns that contribute to more than 60% of the transactions as well as orders.

As per the India Today report, there are more than 95,000 UPI fraud cases reported in 2022. Now, the biggest concern is 'how you can stay safe in online shopping?' Users who prefer online shopping to shopping from supermarkets or retail shops must be aware of the consumer rights for online shopping in India.

II. RESEARCH METHODOLOGY

The research method used in the paper is Analytical Study.

Methods of Data Collection: Methods used by Researchers are Secondary data that involve

¹Rajiv Khare&GargiRajvanshi, *International Journal on Consumer Law & Practice, Vol. 1, Article 6 Consumer Protection (E-Commerce) Rules, 2020*

²Rajiv Khare&GargiRajvanshi, *International Journal on Consumer Law & Practice, Vol. 1, Article 6 Consumer Protection (E-Commerce) Rules, 2020*

Document Analysis – Studying legal regulations, scholarly articles, Research paper and case laws.

Critical Evaluation – Analyzing the effectiveness of legal provisions in addressing consumer challenges and issues.

Case Study Approach – Referencing specific legal cases to highlight real-world applications and enforcement of consumer protection laws.

E-COMMERCE

Almost every aspect of human life has been impacted by the development of "information and communication technology," and purchasing and selling products and services is no exception. Electronic data exchange and electronic cash transfers are examples of technologies that have been made possible by information technology. These technologies, which are facilitated by the Internet, have evolved into information technology and made it possible for business transactions known as e-commerce. As a result, the world now enjoys a more varied and advanced experience for their commercial and business activities due to the rapid deployment of Internet-enabled facilities and the commercialization of activities over the Internet. E-commerce is the practice of conducting business via electronic means within the Internet domain. The purchasing and selling of goods and services using electronic platforms is known as e-commerce.³

The World Wide Web is usually used at some stage of the transaction life cycle in modern electronic commerce, while it can also understand a wide range of technologies like email, mobile devices, and telephones. In their commercial and business operations, e-commerce transactions, with their three distinct properties of a) virtuality, b) boundlessness, and c) variety, assist humanity in many ways. Therefore, e-commerce transactions made possible by the Internet enable both consumers and business owners to enter into agreements for the exchange of goods and services across many physical boundaries on a 24/7 basis. Undoubtedly, these characteristics are fostering the explosive expansion of e-commerce and offer several benefits, including reduced costs, economies, higher margins to the company, better customer cost, quick and comparative shopping, etc but on the other hand, it has introduced some encounters too in the form of information sharing, a threat to data privacy, security, and data integrity, lack of loyalty in consumer relations, and threat to violation of consumer variety of rights in e-commerce.

E-commerce is one form of business conducted online or over the Internet. In other words, when you buy or sell something online or via an electronic medium, it is referred to as electronic commerce, popularly known as e-Commerce. Due to its massive reach and popularity, it has transformed the way entrepreneurs do business, and has been accepted by everyone, from small businesses to big giants.

EVOLUTION OF E-COMMERCE –

The discovery of Electronic Data Interchange in the 1960s is what kick-started the emergence of electronic commerce. EDI replaced the ordinary paper means of transferring documents, thereby enabling digital data transfer from one computer to another⁴.

1969- CompuServe Founded –The landmark event of 1969, the history of e-commerce in the USA and worldwide, started in Columbus, Ohio, with the launch of the first e-commerce company, CompuServe. Which was founded by Dr. John R. Goltz and Jeffrey Wilkins using a dial-up connection. Since there is no internet, the company offers computer-sharing services to businesses sending data through a telephone line called electronic data interchange, or EDI.

1979 – Invention Of Electronic Shopping –E-commerce was founded or invented by Michael Aldrin, who also invented electronic shopping. This was accomplished by establishing a telephone link between a customized TV and a transaction processing computer. This was done to transmit secure data.

1982 – The Launch of The First E-commerce Company - In 1982, the Boston Computer Exchange (BCE) marked the launch of the world's first eCommerce company. As an online marketplace, BCE enabled people to buy and sell

³D.P. Mittal, *III Law of Consumer Protection with E-Commerce, 2024*

⁴Available on www.thefulfillmentlab.com, accessed on 31/01/2025

used computers. Operating before the rise of the World Wide Web, BCE utilized a dial-up bulletin board system, pioneering the path for future eCommerce platforms.

1990 - World Wide Web Launched - Online shopping is sparked by the release of the first web browser, which allows shops to reach a wider audience and allows internet users to locate what they're looking for quickly.

1992 –Charles M. Stack launched Stack Unlimited, an online bookstore, in the nineties, which revolutionized the online industry. It was among the first e-commerce sites to be developed at that time.

1995 – Amazon, eBay, And the Online Marketplace Boom- With the birth of Amazon and eBay, the year saw the most significant event in e-commerce history. Jeff Bezos founded Amazon, and Pierre Omidyar founded eBay.

2012 – Food Shopping Goes Virtual - Shopping for food became virtual. Even though Webvan and other grocery delivery firms had previously struggled or failed, food shopping finally found its footing in 2012 when Instacart was founded. Customers who place online orders for groceries are sent to nearby stores by Instacart. These days, internet food buying is very popular due to advancements in cold storage and delivery.

2017 – Instagram introduced shoppable permitting people to sell directly from the social media platform.

2020 - The COVID-19 Boost - Many physical stores had to close due to the coronavirus pandemic, and many residents were placed in quarantine at home during lockdowns. People adopted internet shopping as a way to buy necessities and fight boredom. According to IBM's U.S. Retail Index statistics, the pandemic caused a five-year acceleration in the transition from physical storefronts to online commerce.

MODES OF E-COMMERCE

E-commerce operates through various modes based on the type of transaction and the entities involved. These modes can be broadly classified into the following categories –

Business-to-Consumer – Business sells goods or services directly to consumers through online platforms⁵.

Business-to-Business – Transaction occurs between business, such as manufacturers, wholesalers, and retailers.

Consumer-to-Consumer – Consumer sells products or services to other consumers, usually through a third-party platform.

Consumer-to-Business – Individuals sells goods, services, or data to businesses.

Business-to-Government – Businesses provide goods or services to government entities via online platform.

Government-to-Business – Government provides businesses access to services, such as tax filing or licenses, through online platforms.

Government-to-Citizens – Government offers services directly to citizens through e-commerce platforms.

Mobile Commerce (M-commerce) – Transaction conducted through mobile devices like smartphones and tablets.

Social Commerce- Buying and selling activities conducted through social media platforms.

TRANSFORMATION IN E-COMMERCE INDUSTRY IN RECENT YEARS

Significant transformations that have taken place in the e-commerce industry between these years are

Large vendors are purchased to sell online.

Small businesses have seen growth, with local sellers now functioning for social media platforms.

Parcel delivery costs have seen a substantial rise with the rising e-commerce industry.

Several e-commerce markets have arisen, permitting more sellers to sell online.

Logistics has changed with the introduction of automation tools and artificial intelligence.

Social media has become a tool to grow of sales and market brands. Sellers also use social media to trade via channels like Facebook and Instagram.

The buying traditions of customers have significantly transformed. The COVID-19 pandemic has impacted purchase decisions, and most users are moving to e-commerce for their purchases.

Sellers are accepting anomni-channel selling approach where they want to provide users with a constant shopping experience across different media and channels.

CONSUMER

A consumer is a person or group of people who buy products and services for their own consumption only—not for production or resale. Any individual who purchases products or services for their use, as well as for resale or commercial purposes, is considered a consumer under Section 2(7) of the Consumer Protection Act of 2019. The terms "buy any goods" and "hire or avail any services" have been explicitly defined as encompassing all online transactions carried out by electronic methods, such as direct selling, teleshopping, or multi-level marketing.

CONSUMER PROTECTION

A consumer is a person or group of people who buy products and services for their own consumption only—not for production or resale. Any individual who purchases products or services for their use, as well as for resale or commercial purposes, is considered a consumer under Section 2(7) of the Consumer Protection Act of 2019. The terms "buy any goods" and "hire or avail any services" have been explicitly defined as encompassing all online transactions carried out by electronic methods, such as direct selling, teleshopping, or multi-level marketing.

In legal terminology, consumer protection can be defined as the body of laws, regulations, and mechanisms designed to safeguard the physical, financial, and legal well-being of consumers. This framework is established to ensure that consumers are knowledgeable, empowered, and represented in their interactions with goods, services, and business entities. Thus, the consumer protection mechanism serves to uphold the principle of fairness, transparency, and accountability in commercial transactions, thereby fostering trust and confidence in the marketplace.

The idea and execution of e-commerce came to the fore in 1999 when the Organization for Economic Co-operation and Development (OECD) organization established the first international instrument for consumer protection in the framework of economic cooperation and development.

The concept of consumer rights in India has evolved significantly over the years, especially with the advent of online shopping. The Indian government has been proactive in updating its laws to protect consumers in the digital age.

LEGAL FRAMEWORK FOR CONSUMER PROTECTION

Consumer protection laws serve as the cornerstone for safeguarding consumer rights and interests in the digital era. These laws aim to regulate business practices, ensure product safety, promote fair competition, and provide avenues for redress in case of disputes. In many jurisdictions, Consumer protection status have been updated or supplemented to address the unique challenges posed by digital transactions⁶

One of the primary legal instruments governing consumer protection in the digital age is the Consumer Protection Act 2019. The Consumer Protection Act typically encompasses provisions related to consumer rights, unfair trade practices, product liability, and redressed mechanisms. Additionally, data protection laws such as the general data protection regulation in the European Union, play a crucial role in safeguarding consumer privacy and regulating the collection, processing, and storage of personal data by businesses. Also, the Information Technology Act 2020 provides several provisions relating to consumer protection, And the Consumer Protection (E-Commerce Rule), 2020 provides the regulations for the protection of consumers, while online shopping.

Consumer Protection Act, 1986 –

The Consumer Protection Bill, of 1986 seeks to provide for better protection of the interests of consumers and the purpose, of making provisions for the establishment of a consumer council and other authorities for the settlement of consumer disputes and matters connected therewith. It was replaced by the Consumer Protection Act, of 2019.

Consumer Protection Act 2019 –

Consumer Protection Act, 2019 serves as the cornerstone for safeguarding consumer rights and interests in the digital era. This act serves as the primary legal framework designed to regulate business practices, ensure product safety, promote fair competition, and defend consumer interests, offering a clear and concise approach to addressing grievances related to online shopping and also providing avenues for redress in case of disputes.⁷

⁶Pratyush Prakash, *International Journal for Multidisciplinary Research*.

⁷D.P. Mittal, *III Law of Consumer Protection with E-Commerce, 2024I*

Information Technology Act 2000 –

The United Nations Commission on International Trade Law's (UNCITRAL) model of e-commerce law serves as the foundation for the information technology of the year 2000. In order to facilitate the electronic filing of a document with government agencies, the Act seeks to legalize transactions conducted through electronic data interchange and other forms of communication, commonly known as "electronic commerce." These transactions involve the use of alternatives to paper-based methods of communication and information storage⁸.

The IT Act, of 2000 was enacted to facilitate the conduct of E-commerce transaction and to encounter and address all the problems that might come up in the course of its conduct. However, the provision of the It Act, 2000 does not primarily provide for the protection of consumers in an e-commerce transaction. Yet, it has some provisions that are reflective of a consumer-centric approach to protect consumer rights in e-commerce. There are certain provisions which may indirectly address and encounter issues relating to consumer rights are described as follows –

- i. Section 6 A Of the Information Technology Act binds the service providers to the efficient delivery of goods.
- iii. The Act's Section 10A just validates contracts entered into electronically; it makes no mention of the conditions of those contracts that must be incorporated and adhered to to protect consumers in online transactions.
- iv. In chapter V of the IT (Amendment) Act of 2008, sections 14 to 16 discuss secured transactions by clarifying that electronic transactions will be regarded as secure transactions or payment mechanisms. However, they do not address the remedies available to individuals who suffer the repercussions of unsecured transactions and payment mechanisms.
- vii. Section 66D punishment for cheating by personating by using computer resources. This section was inserted by the It Amendment Act 2008. If the seller cheats on the buyer by wrongly personating to another person and organization, then he shall be liable for the punishment of imprisonment which may extend to three years, and shall also be liable to a fine which may extend to 1,00,000 rupees.

Hameed v. Snapdeal (2017)⁹

The plaintiff ordered a branded smartphone but received a counterfeit product. He invoked provision 66 D of the IT Act 2000, along with the Consumer Protection Act, to seek redressal for fraud and impersonation. The court ruled in favor of the consumer, recognizing Snapdeal's responsibility as an intermediary.

viii. The IT Act of 2000's sections 72 and 72A address the penalties for violating confidentiality and privacy concerning any information that customers provide in e-commerce transactions. However, the section's application is restricted because it requires proof of wrongful loss or wrongful gain. In the case of Fateh Chand v. Balkishan Das, the Supreme Court ruled that the actual victim of a breach of contract may suffer injustice if the damages for the breach are not quantitatively determined by the parties or the statute.

Payment and Settlement Act 2007-

The Payment and Settlement Act 2007 is a significant piece of legislation in India that regulates payment and settlement system. Its relevance to consumers lies in the fact that it ensures that safety, security and efficiency of payment system directly impacting how consumers transact.

The Consumer Protection (E-Commerce) Rules, 2020-

The Ministry of Consumer Affairs, food, and Public Distribution published the Consumer Protection (e-commerce) Rule 2020 under the Consumer Protection Act, 2019, on 23 July 2020, as a comprehensive framework to regulate the expanding e-commerce sector to prevent unfair trade practices in the emerging e-commerce sector and protect

consumers' rights and interests. These rules define the rights of consumers and the liabilities of e-commerce platforms, intermediaries, and sellers¹⁰.

⁸Information Technology Act, 2000

⁹Hameed v. Snapdeal AIR 2017

¹⁰Rajiv Khare and GargiRajvanshi, Vol. 1, Article 6, E-commerce and Consumer Protection: A Critical Analysis of Legal Regulations, International Journal On Consumer Law and Practice

These regulations sought to address problems in the e-commerce industry, including data privacy issues, deceptive advertising, and counterfeit goods. This illustrates the government's dedication to providing an environment that is safer and more dependable for internet buyers. As a result, while these restrictions are a positive start in protecting consumer interests, they still allow room for some uncertainty and are a burden on the platforms that are rushing to put them into effect.

To address some of the concerns brought up by these regulations, the ministry published a notice on May 17, 2021, introducing The Consumer Protection (E-Commerce) (Amendment) Rules, 2021, which mandated that a business operating outside of India or having an office, branch, or agency outside of India designate a nodal officer or an alternate senior designated functionary who is an Indian resident to ensure that the provisions of the act the rules are being followed and abided by.

KEY FEATURES OF THE RULE 2020-

The rules are designed to regulate and protect consumers in the e-commerce sector. These rules establish a framework to ensure fair practices and transparency in online transactions. Some key highlights include¹¹ –

Product Information – e-commerce platforms are mandated to provide comprehensive product information, including details about the country of origin, seller information, and return policies.¹²

Grievance Redressal – e-commerce entities are required to establish efficient grievance redressal mechanisms to address consumer complaints promptly.¹³

Counterfeit Products – the rules impose stricter liability on e-commerce platforms for selling counterfeit or fake products, enhancing consumer protection.

Unfair Trade Practices – These rules forbid unfairly influencing product prices and using false advertising, among other unfair trading activities.

Data Protection – priority is given to protecting customer information and guaranteeing its confidentiality when conducting business online.

Transparency – E-commerce sites must guarantee the correctness of product descriptions and offer explicit terms and conditions, including return and refund guidelines.

CONSUMER RIGHTS UNDER CONSUMER PROTECTION (E-COMMERCE) RULE, 2020

1. Right To Information¹⁴

Rule 4 (2) (a) – E-commerce entities shall provide adequate information about the product like the legal name of the e-commerce.

***Harish Kumar v. Amazon India (2020)*¹⁵**

Facts – A customer alleged that Amazon failed to disclose important product specifications, including safety standards for an electrical product.

Legal Issue – Failure to provide adequate information, violating Rule 4 (2) (a) of the e-commerce rule.

Judgment – The Customer Forum held Amazon accountable and imposed penalties for non-compliance with disclosure norms.

Significance – This case highlighted the importance of providing comprehensive product details to protect consumer rights.

¹¹www.indialaw.in

¹²Consumer Protection (E-Commerce) Rules, 2020, Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), Notification No. G.S.R. 462(E), 23 July 2020.

¹³ Ministry of Consumer Affairs, Food, and Public Distribution, Press Release, “Government Notifies Consumer Protection (E-Commerce) Rules, 2020”, 23 July 2020.

¹⁴Consumer Protection (E-commerce) Rule, 2020

¹⁵Harish Kumar v. Amazon India AIR 2020

Rule 5 (2) - E-commerce entities must provide clear and comprehensive information to consumers regarding the goods or services being sold, including appearance, nature, quality, purpose, and other general features of such goods or services.

Varun Jain v. Flipkart Internet Pvt. Ltd.¹⁶

Facts – The consumer purchased a product but did not receive detailed information about the seller, warranty, and return policy, which led to a dispute.

Legal Issue – Violation of the Consumer Protection (E-commerce) Rules, 2020, specifically regarding transparency in providing seller details and return policies.

Judgment – The consumer commission ruled that e-commerce platforms must ensure compliance with rule 5 of the e-commerce rules, which mandates providing detailed seller and product information.

Significance – It reinforced e-commerce platforms' obligation to provide consumers clear and accurate information.

Rule 5 (3) (a) – Sellers are required to disclose the country of origin of the product, allowing consumers to make informed purchasing decisions.

Rule 6 (5) – E-commerce platforms must display the details of the seller (e.g., name, contact information, address) so that consumers know who they are dealing with.

Ashok Kumar v. Myntra Design Pvt. Ltd.¹⁷

Facts – A consumer received a product with discrepancies in its description, and Myntra failed to disclose the seller's contact information.

Legal Issue – Violation of Rule 6 (5) of the E-commerce Rules, which requires the e-commerce platform to disclose the details of the seller.

Judgment – The Consumer Commission directed Myntra to rectify its practices and compensate the customer for the inconvenience caused.

Significance – It emphasized the need for an e-commerce platform to provide transparent seller information.

2. Right To Refund, Return And Cancellation-

Rule 6 (5) (g) – E-commerce platforms must provide clear policies on refunds, returns, exchanges, and cancellations ensuring that consumers know their options when a product or service does not meet their expectations.

Rule 6 (6) – No e-commerce entity shall impose cancellation charges unless the same was communicated to the consumer at the time of purchase.

Rule 6 (7) – Consumers are entitled to receive refunds for canceled transactions in a prompt and transparent manner, as per the platform's stated policies.

AbhinavShrivastava v. Flipkart Pvt. Ltd. (2019)¹⁸

Facts- A consumer ordered a phone from Flipkart but received an empty box.

Legal Issue – Duty of e-commerce platforms to ensure proper delivery.

Judgment – The District Consumer Dispute Redressal Commission directed Flipkart to refund the amount and compensate the customer.

Significance – The judgment established that an e-commerce platform must ensure accurate and complete order fulfillment.

Jyoti Mehta v. Amazon (2021)¹⁹

Facts – A consumer purchased a defective electronic item from Amazon and was denied replacement or refund.

Legal Issue – Consumer rights to refunds and replacement for defective goods.

Judgment – The consumer commission ordered Amazon to replace the item and pay compensation for harassment.

¹⁶ *Varun Jain v. Flipkart Internet Pvt. Ltd.*

¹⁷ *Ashok Kumar v. Myntra Design Pvt. Ltd.*

¹⁸ *AbhinavShrivastava v. Flipkart Pvt. Ltd. AIR 2019*

¹⁹ *Jyoti Mehta v. Amazon AIR 2021*

Significance – This case highlighted the obligation of e-commerce companies to comply with return and refund policies.

3. Right to Grievance Redressal -

Rule 4 (4) – Every E-commerce entity shall establish a satisfactory grievance redressal mechanism having regard to the number of grievances usually received by such entity from India, and must appoint a grievance officer for grievance redressal who is in charge for addressing consumer complaints. The contact details of the grievance officer like the name, contact details, and designation of such officer on its platform should be displayed prominently on the platform.

Rule 4 (5) – the grievance officer must acknowledge consumer complaints within 48 hours and resolve them within one month of receiving the complaint.

4. Right To Data Protection And Payment Security –

Rule 5 (1) – E-commerce platform is prohibited from sharing or misusing consumers' data without their explicit consent. This includes preventing unauthorized disclosure of sensitive information like payment data.

Rule 5 (3) (d) – Consumers should be provided with a secure payment mechanism, and the platform must ensure that the payment methods do not compromise consumer data or expose them to fraud.

*Snapdeal Product Delivery Scam Case (2022)*²⁰

Issue – The consumer faced unauthorized access to payment details and was charged extra during an online transaction.

Judgment – The platform was held liable for negligence under Rule 5 (3) (d) of the e-commerce rules, 2020, which mandates a secure payment system to safeguard consumer interest.

Impact – Highlighted the need for enhanced payment security measures on the e-commerce platform.

5. Right Against Unfair Trade Practices –

Rule 4 (3) – E-commerce platforms must not adopt unfair trade practices, such as falsely advertising products, displaying misleading information, or manipulating search results to favor certain sellers.

Rule 4 (6) – platforms are responsible for ensuring that goods or services listed for sale are not fake, counterfeit, or misleading and mention the name and details of any importer from whom it has purchased such goods or services, or who may be a seller on its platform.

*Rakesh Kumar Singh v. Myntra (2022)*²¹

Facts - A customer complained about a misleading discount during a sale event on Myntra.

Legal Issues – Misrepresentation in advertisement and pricing.

Judgment – The consumer forum held that an e-commerce platform cannot mislead customers through false advertising and must ensure transparency in pricing.

Significance – It set a precedent for truthfulness in e-commerce marketing practices.

6. Right Against False Sales Misuse –

Rule 7 (2) – Platforms must avoid conducting ‘false sales’ fraudulently or misleadingly. Manipulating the availability of goods or prices in a flash sale to create artificial demand is prohibited.

Rule 7 (3) – entities must not artificially influence prices or manipulate sales to disadvantage consumers or competitors.

M/s Amazon Seller Services Pvt. Ltd. v. Consumer Grievance Forum –²²

Issue – A consumer filed a complaint against Amazon for promoting a ‘mega sale’ with exaggerated discounts, only to find the same products sold at regular prices or with negligible discounts on other platforms. This was alleged to be a case of misleading advertising and violation of the consumer protection (e-commerce) rules, of 2020

²⁰ *Snapdeal Product Delivery Scam Case AIR 2022*

²¹ *Rakesh Kumar Singh v. Myntra AIR 2022*

²² *M/s Amazon Seller Services Pvt. Ltd. v. Consumer Grievance Forum*

Judgment – The Consumer Disputes Redressal Commission found Amazon guilty of running misleading advertisements to attract consumers. It directed Amazon to pay compensation to the complainant for misleading consumers and was directed to display real-time discounts and maintain transparency in sales promotions.

7. Right To Fair Treatment And No Discrimination. –

Rule 6 (2) – E-commerce platforms should not manipulate search results or listings to give preferential treatment to specific sellers or goods, particularly if the platform has competing products.

Rule 6 (4) – all consumers should have equal access to products and services. Platforms must ensure non-discriminatory treatment of products, services, and sellers.

8. Right Against Fake Reviews –

Rule 5 (11) – Platforms are required to take steps to ensure that reviews are genuine and not manipulated to be paid for by the seller to mislead consumers. Fake reviews must be curbed to protect consumers from deceptive marketing.

9. Liability Of E-Commerce Platforms -

Rule 6 (8) – if a seller or product violates consumer protection law, the platform will also be held accountable for failing to conduct due diligence in vetting sellers and their products.

Rule 6 (9)- platforms are required to facilitate the resolution of consumer grievances, especially if a product is faulty or does not match the description.

***Flipkart Internet Pvt. Ltd. v. State of Assam (2021)*²³**

Facts – Flipkart was accused of selling a product that did not comply with the legal metrology act.

Legal Issue – Liability of e-commerce platform for non-compliance with local compliance with local laws.

Judgment – The court emphasized that platforms must ensure compliance with applicable laws while selling products.

Significance – It reinforced the responsibility of e-commerce platforms to ensure regulatory compliance.

10. Right Against Unfair Pricing Practices –

Rule 5 (12) – E-commerce platforms should not offer deep discounts or unfair pricing to Favor certain sellers or products. Pricing should be transparent, and consumers should not be misled by hidden charges.

11. Right To Safe and Authentic Products –

Rule 7 (5) – E-commerce platforms must ensure that products sold are authentic, do not violate any local or international laws, and are safe for consumers to use.

Rule 7 (3) – platforms must ensure that products offered are not counterfeit or misleading and that the descriptions are accurate and true.

***Kavita Joshi v. Snapdeal (2017)*²⁴**

Facts – A customer received a counterfeit product from Snapdeal and filed a complaint.

Legal Issue – Responsibility of e-commerce platform for counterfeit products.

Judgment – The consumer forum held that e-commerce platforms must ensure that the products sold are genuine and meet promised standards.

Significance – This case reinforced consumer rights against the sale of fake or substandard goods.

12. Prohibition On In-House Bias –

Rule 5 (10) – platforms operating a marketplace model must ensure that there is no preferential treatment of any particular seller, especially their own associated sellers. This includes the way products are ranked, advertised, or promoted.

²³*Flipkart Internet Pvt. Ltd. v. State of Assam AIR 2021*

²⁴*Kavita Joshi v. Snapdeal AIR 2017*

EMERGING ISSUES IN ONLINE SHOPPING

Consumer protection in e-commerce does face some new issues, as follows

The impersonal nature of transactions erodes the trust between service providers and customers, making them more vulnerable;

Information asymmetry is more pronounced;

Consumers are more susceptible to misleading and deceptive behavior online;

Consumers may have trouble contracting providers or funding a way to communicate with businesses regarding liability and arrangements for delivery, return, and exchange of goods,

There is a high risk with data protection and privacy,

There may be an issue of enforceability in the case of cross-border transactions.

Online marketplaces have become more significant in e-commerce as a distributor between customers and sellers.

Online marketplaces bring together a number of customers and vendors on a single platform. They provide consumers more options to choose from and allow sellers to reach a larger consumer base. Their role in a transaction may vary according to their level of involvement in inventory management, payment processing, and ensuring delivery, safety, or the quality of goods or services. The aforementioned challenges may necessitate certain modifications in the way consumer protection is managed in the case of e-commerce in comparison to traditional forms of commerce.²⁵

IMPACT OF CONSUMER PROTECTION (E-COMMERCE) RULE, 2020²⁶

The Consumer Protection (e-commerce) Rules, 2020, introduced under the Consumer Protection Act, 2019, aim to enhance transparency, accountability, and consumer safety in e-commerce. These rules address various issues in online shopping, such as unfair trade practices, fake reviews, pricing manipulation, and grievance redressal mechanisms.

Increased Transparency and Authenticity –

E-commerce platforms must disclose critical information such as the country of origin, seller details, return and refund policies, and guarantees of authenticity. This enables consumers to make more informed purchasing decisions. And also reduced disputes related to misinformation.

Improved Grievance Redressal

The platform must appoint grievance officers and acknowledge complaints within 48 hours, resolving them within a month. This has strengthened consumer confidence in seeking redress for issues. This has led to a more streamlined complaint process for consumers, though data on resolution rates is mixed. For example – platforms like Amazon and Flipkart report improved resolution efficiency.

Protection Against Fraud –

Rules mandate stricter liability for selling counterfeit goods and prohibit manipulative practices like false advertising or deceptive pricing, reducing risks for consumers.

Increased Consumer Welfare –

According to a survey, 63% of consumers reported saving on shopping expenses due to discounts and flash sales, while 85% found online shopping safer during the pandemic. Consumers rated cost-effectiveness at 4.17/5 and convenience at 3.91/5.

Data Privacy and Security –

The platform must ensure the protection of consumer data, enhancing trust among users concerned about privacy.

Fair Trade Practices –

The rules prohibit pre-checked consent boxes and discriminatory pricing. However, compliance by platforms remains under scrutiny, especially regarding pricing algorithms that could create an unfair advantage.

In summary, the rules have positively impacted consumer protection by fostering accountability and transparency. However, their effectiveness is limited by enforcement challenges and resistance from some e-commerce stakeholders.

²⁵ *Impact and Policy Research Institute (IMPRI), "OECD Guidelines on Consumer Protection in the Context of Electronic Commerce," available at <https://www.impriindia.com>, accessed on 25 November 2024.*

²⁶ www.studocu.com

Additional measures to monitor compliance and ensure fair trade practices could further improve their impact. While these rules improve consumer protection, some regulatory ambiguities, such as the treatment of ‘false sales’ and cross-border transactions, have raised concerns among platforms and stakeholders. Overall, the Consumer Protection (e-commerce) Rules, 2020, have made e-commerce safer and more transparent for consumers.

The Consumer Protection (E-Commerce) Rules, 2020 have profoundly influenced e-commerce in India by addressing consumer concerns, promoting fair practices, and holding platforms accountable. While they have positively impacted consumer trust and market fairness, their successful implementation requires continuous monitoring and collaboration between regulators and stakeholders to adapt to the evolving digital economy.

II. CONCLUSION

E-commerce has grown in many nations, including India, due to the extensive usage of the internet and the rising popularity of computers, tablets, and smartphones. New distribution channels have been made possible by the quick growth of e-commerce. Customers now have more options, making them more susceptible to new kinds of unfair trade and unethical corporate practices. Today, e-commerce is taking the world by storm, and online buying is growing in our nation. The time savings and the ability for the customer to finish his transaction with a single click are the biggest advantages of e-commerce. Customers can make well-informed decisions because to the availability of more comprehensive product information and the ability to compare prices and products.

The government's efforts to protect consumers' rights, particularly those of online shoppers, are also insufficient. So, In 2019, the government passed the Consumer Protection Act, and in 2020, it passed the Consumer Protection (E-Commerce) Rule. The protection of consumer rights is essential to the growth of e-commerce; the new regulations strengthen the mechanisms via which online consumers can file complaints, ensuring their safety, security, and ability to build trust. The two statutes that were enacted as part of the new reforms also make doing business easier. Further operational experience could lead to certain legal issues later on. Nonetheless, the safety and security of online shoppers will facilitate the expansion of e-commerce in India through judicial intervention and directions.

HYPOTHESES DISCUSSION

The Consumer Protection (E-Commerce) Rules, 2020, significantly improve the safeguarding of consumer rights in online shopping.

E-commerce platforms with robust grievance redressal mechanisms lead to higher consumer trust and satisfaction.

Lack of adequate data protection measures negatively impacts consumer confidence in online shopping.

Enhanced transparency and fairness by e-commerce platforms reduce the prevalence of disputes and complaints.

Strengthened enforcement mechanisms under the Consumer Protection Act, 2019, will lead to a reduction in unfair trade practices.

The hypothesis appears supported by the study's findings, indicating that the Consumer Protection (E-commerce) Rules, 2020 significantly enhance consumer safety and fairness in the online marketplace. However, continuous evaluation, stricter enforcement, and addressing regulatory ambiguities are necessary for sustained success.

RECOMMENDATIONS

It is expected that the 2020 consumer protection e-commerce regulations would have stricter guidelines and better enforcement strategies. In the years to come, the following can be anticipated:

1. A greater concentration on data privacy: Given the increasing importance of data in e-commerce transactions, there might be a stronger focus on data protection and privacy. Online merchants must take the necessary precautions to guard against theft or illegal access to their customers' data. This entails putting in place a safe payment channel, utilizing encryption software, and abiding by industry data protection requirements.

2. Transparency and fair practices: The e-commerce industry must follow stringent transparency and fair business standards to ensure that customers have access to accurate pricing, product information, and unambiguous terms of service. E-commerce sites ought to provide customers with thorough product descriptions, unambiguous terms and conditions, and information about any extra charges or expenses. This serves to boost the trust and confidence of online customers and ensures that they can make informed decisions when making purchases.

3. Prevention of counterfeit goods: Tighter laws may be put in place to stop the sale of phony or subpar items in order to safeguard the interests of consumers.
 4. Cross-border transactions: regulations may be developed to address issues with international transactions, such as import taxes and penalties, as cross-border e-commerce grows.
 5. Sustainability and ethical practices: E-commerce platforms should be required to source, manufacture, and transport products using ethical and sustainable techniques as part of consumer protection laws.
- Consumer growth, technological advancements, and the need to balance fostering innovation with protecting consumers' interests will probably influence how consumer protection rules in e-commerce evolve in the future. These laws will most likely be modified to take into account the challenges associated with internet shopping and how it is evolving.²⁷

²⁷ <https://www.impriindia.com>, accessed on 25 November 2024.