



Consumer Protection in India with respect to E-consumers: A step towards Viksit Bharat

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ABSTRACT

The swift expansion of shopping activity within India has resulted in a notable rise of digital transactions online and puts a spotlight on the importance of ensuring consumer welfare within the virtual marketplace setting there. This piece delves into the progression of safeguard measures for consumers within India particularly concerning those engaging as e buyers. Enacted recently are regulations such as the Consumer Protection Act of 2019 and the E commerce Rules from 2020 that aim to fortify consumer rights by putting forth safeguards including setting up the Central Consumer Protection Authority and outlining provisions, for product liability. Nevertheless obstacles like unpredictability among negotiating parties, privacy risks, unjust trading methods and undisclosed expenses continue to exist. The piece sheds light on the structure overseeing online business activities within India encompassing statutes such as the Consumer Protection Act and E commerce Regulations along with other pertinent legal provisions. Furthermore it explores the significance of complaint resolution processes and advocates for creative technological remedies that can reconcile the disparity, between technological advancements and legal structures. The article states that although the existing legal structure has tackled issues concerning online consumers to some extent; a stronger and more effective system is required to shield consumers from scams and unjust business practices, within the online shopping realm.

INTRODUCTION

Consumerism has become an aspect of our lives in today's fast paced globalized and liberalized world. As individuals who engage with products and services regularly it is crucial to safeguard our rights, against business practices. Philip Kotler " Consumerism is not confined to organized

efforts, but is a social movement seeking to increase the rights and powers of buyers in relation to sellers."¹ The Indian government has made efforts to ensure consumer rights are upheld. This article delves into the progression

¹ A.K. Dhyani and A. Saklani, "Awareness of Rights among Indian Consumers", Indian Journal of Marketing, XXIII (7-8), July-August (1994).

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of consumer protection, in India particularly highlighting recent advancements in this area.

A consumer is someone who purchases goods or services in exchange, for payment. This encompasses individuals engaging in transactions via channels whether in person or online using methods.²

The significance of safeguarding consumers is crucial in today's market driven society, where individuals often find themselves vulnerable to the practices of manufacturers and service providers. Ensuring consumer protection is vital to prevent exploitation and deceitful trade activities. Furthermore, it fosters competition drives innovation and safeguards the environment.

The Consumer Protection Act (CPA) of 1986 marked a moment in legislation aimed at safeguarding consumer interests in India. This Act established consumer courts such as District Forums, State Commissions and the National Commission to address consumer complaints. It also outlined consumers rights, including safety access to information, choice and mechanisms for grievance redressal.³

In contrast the Consumer Protection Act (CPA) of 2019 represents an advancement from its predecessor in 1986. The new Act introduces enhancements such as the creation of a Central Consumer Protection Authority (CCPA) for investigating and prosecuting instances of consumer rights violations. Additionally, the CPA 2019 addresses e-commerce regulations by holding platforms accountable for selling goods.⁴

The emergence of e commerce has brought about a group of consumers called e- consumers. These individuals make purchases raising concerns regarding consumer protection such, as issues, contract enforcement and safeguarding personal information.

In India, the Consumer Protection (E Commerce) Rules of 2020 govern e commerce activities. These regulations cover aspects like the responsibilities of e-commerce platforms in preventing the sale of products and ensuring disclosures on goods and services along with sales terms.

While the CPA 2019 has made enhancements there are still deficiencies in the current law. Challenges include

infrastructure and resources for implementing the Act and limited jurisdiction of consumer courts leading to delays in addressing consumer complaints.

CHALLENGES FACED BY THE E-CONSUMERS

In the rapidly evolving landscape of electronic commerce (e-commerce), where digital platforms facilitate seamless transactions, consumers have become central players in this transformative paradigm. While e-commerce offers unprecedented convenience and access to a global marketplace, it is not without its challenges.

Some challenges are as follows:

Uncertainty of Dealing Parties

E-Commerce transactions require a high degree of trust, as dealing parties may have limited prior knowledge of each other. Establishing credibility and ensuring the whereabouts and identity of vendors and buyers becomes crucial to build confidence with buyers. Without whereabouts of sellers makes e-commerce vulnerable to frauds, such as I.D Theft and similar online stores of well-known brands. Furthermore, the E-commerce has no geographical bounds, establishing jurisdiction for the transaction becomes a tacky task.⁵

Threat to Privacy of an Individual

Protecting online privacy remains a top priority in the world of e-commerce. As the use of online transactions continues to grow, so does the risk of security breaches and attacks on personal information.⁶

The major threats relate to data breach and cyber-attacks. Users may not always be fully informed about how their data is being collected, used and shared. A lack of transparency and the absence of explicit user consent can result in breach of privacy. E-commerce platforms may utilize geo-location data to provide personalized recommendations or targeted promotions. However, the tracking of user locations raises concerns about the potential misuse of this information.

² Consumer Protection Act 2019, Section 2(7)

³ D. Himachalam, "Consumer Protection in India- A Brief Analysis", Consumer Protection and the Law, New Delhi, APH Publishing Corporation (1998).

⁴ Dr. Veena Upadhyay, "Consumerism in India- Consumer Awareness, Rights and Protection", International Journal of Latest Research in Humanities and Social Science, Volume 06- Issue 06, PP. 01-04 (2023).

⁵ Yogadi Vishnu Sirugudi, "Problems and Challenges of E-commerce in India", International Journal of Academic Research, Volume 7, Issue 2, P.P. 142-145 February, 2020.

⁶ Jarnail Singh, "Review of E-Commerce Security Challenges." IJIRCCE. Volume 2, Issue 2., p. 28-51 (2014)

Chances of Unfair Trading

As the digital realm expands, it has brought with it a significant challenge- the prevalence of unfair trading practices. Unscrupulous actors exploit the virtual landscape to engage in deceptive, fraudulent, or manipulative activities that undermine fair competition and harm consumers.

Unfair traders may flood e-commerce platforms with counterfeit or fake products, deceiving consumers and damaging the reputation of legitimate brands and sellers. They engage in price gouging, false discounts, and deceptive advertising, leading consumers to make purchases based on misleading information. Manipulated reviews and fake ratings can mislead consumers into believing that a product or seller has a higher reputation than it actually does, influencing purchasing decisions. Unscrupulous sellers may hide fees, taxes, or additional charges until the final stages of the transaction. Additionally, unfair contract terms can trap consumers in unfavourable agreements. Unfair trading practices undermine the integrity of e-commerce and erode consumer trust.⁷

Imposing hidden Costs

Hidden costs, such as undisclosed taxes, shipping fees, or additional charges, can erode consumer trust. Unpleasant surprises during the checkout process may lead to cart abandonment and dissatisfaction. Lack of transparent pricing information can lead to unrealistic consumer expectations and hinder informed decision-making. Consumers may feel misled when hidden costs are revealed post-purchase. E-commerce platforms should emphasize transparent pricing by prominently displaying all associated costs early in the shopping process. Providing accurate cost breakdowns helps manage consumer expectations and fosters trust.⁸

Doubts Regarding Returns/Refunds

Complex, unclear, or restrictive return policies can deter e-consumers from making purchases. Difficulty in understanding and navigating these policies may lead to frustration and reluctance to shop online. Some e-commerce platforms require consumers to cover return shipping

⁷ Dr. Subhash Masanappa Suryawanshi and Smt. C.K. Goyal, "E-commerce in India- challenges and Opportunities E-commerce", *International Research Journal Of Multidisciplinary Studies*, Volume 3, Issue 3 (March 2017).

⁸ Shri Mahadev B. Bagadi, "Issues and Challenges of E-commerce in India- A study", *International Journal of Research and Analytical Reviews*, Volume 6 Issue 3 PP 251-259 (July 2019)

costs, which can discourage product returns, especially for international orders, and lead to dissatisfaction. E-commerce businesses should implement user-friendly return policies that are easy to understand. Offering free or subsidized return shipping and hassle-free return processes can enhance consumer satisfaction.⁹

Fake Sites

Fake e-commerce sites may sell counterfeit or non-existent products, deceiving consumers and causing financial losses. Unwitting consumers may never receive their purchases, or they may receive substandard items. Engaging with fake e-commerce sites exposes consumers to data security risks, as personal and financial information may be harvested for fraudulent activities.¹⁰

The Indian consumers are rapidly inclining towards purchasing online its astonishing and it is still growing. According to a report by the India Brand Equity Foundation (IBEF), the Indian e-commerce market is projected to grow to US\$ 200 billion by 2026.¹¹

E-COMMERCE AND CONSUMER PROTECTION

E-commerce has become an essential part of modern commerce, with millions of people around the world relying on online platforms for their daily shopping needs. However, this growth has brought with it a host of consumer protection challenges that need to be addressed. One key issue is the protection of personal data, as e-commerce platforms often collect and store vast amounts of sensitive information about their users. Another concern is the need to ensure that consumers are not misled by false or misleading advertising or fraudulent business practices. To address these challenges government has developed various frameworks, such as the Consumer Protection Act of 2019 in India, to provide legal protections for online consumers. However, the legal landscape is complex and constantly evolving, requiring e-commerce businesses to have a deep understanding of the legal regime and potential issues. Effective risk management strategies are essential for these businesses to thrive in the industry. At the same time, consumers must also exercise caution and due diligence when engaging in online transactions to protect themselves from potential fraud or other malicious

⁹ Ibid

¹⁰ Consumer Protection Bill 2019 against eCommerce Counterfeiting | NeuroTags

¹¹ <https://www.ibef.org/industry/ecommerce.aspx>

activities. By working together, businesses and consumers can help to ensure that the growth of e-commerce continues to benefit all parties involved.

Legal Protection for E-consumers

In India, the legislature has played an important role in making stringent laws to curb the menace of consumer frauds, one sided e-contracts and even the damages caused to the consumers for using the faulty products. India's legislative framework provides the backbone for protecting consumers from e-commerce fraud. Key laws and regulations set the standards and guidelines that e-commerce entities must follow to ensure transparency, accountability, and safety.¹²

There are few important provisions of Consumer Protection Act 2019, E-commerce Rules 2022, Indian Contract Act 1872, Indian Evidence Act 1872, Information Technology act 2000, and 2008 amendment Act and other important provisions prescribed in, Bhartiya Sakshya Act 2023 and Bhartiya Nyay Sanhita 2023 have been considered in detail.

Consumer Protection Act 2019



Consumer Protection Act 2019 protects the e-consumers from the possible threats and it has completely dealt

with the issue of jurisdiction thereby giving the consumer a priority and including his place of residence or business as a place to count the jurisdiction for filing the complaint in the consumer court. This has enhanced consumer protection. The Consumer Protection Act, 2019,¹³ represents a significant advancement in consumer rights in India. It includes specific provisions related to e-commerce, addressing misleading advertisements, unfair trade practices, and ensuring that consumers are well-informed about the quality and price of products. This act empowers consumers by ensuring they have access to essential information and recourse in case of grievances. Key highlights include the establishment of the Central Consumer Protection Authority (CCPA), which has the authority to take suo moto actions against violators, investigate complaints, and enforce consumer rights.

The Act also introduces the concept of product liability, making manufacturers, sellers, and service providers responsible for any harm caused by defective products or deficient services. This is particularly relevant for e-commerce, where consumers may not have direct contact with sellers and rely heavily on the information provided online.¹⁴ It has also provided provisions whereby now e-consumers purchasing while using internet and e-commerce platform has been included in the definition of consumer.¹⁵

Numerous penalties have been prescribed to penalize the offender in the interest of e-consumers. Establishment of Central Consumer Protection Authority and giving it a police officer like powers to protect the e-consumers from consumer right violations.¹⁶

The Consumer Protection Act of 2019 provides various sanctions for non-compliance with the provisions of the Act, aimed at protecting the interests of consumers and ensuring that manufacturers or service providers comply with the rules. These sanctions include penalties of up to Rs. 10 lakh and imprisonment of up to two years for making false or misleading claims about goods or services, product recalls, orders to stop unfair trade practices, replacement or refund of defective goods or services, and alternative dispute resolution mechanisms such as mediation. The Act also allows consumers to file class action suits against manufacturers or service providers for any damage caused to a large number of consumers. These sanctions ensure that consumers have the right to seek redressal for any grievances they have against manufacturers or service

¹² D. Shaik and M.V. Poojasree, "Consumer protection in e-commerce: A legal and compliance framework in the digital market," in 1st International Conference on Law and Human Rights 2020 (ICLHR 2020) 18-23 (Atlantis Press, May 2021).

¹³ The Consumer Protection Act, 2019

¹⁴ S. Kapoor, "Consumer Protection Act, 2019: A New Milestone in Empowering Consumers," *Yojana*, December-2019.

¹⁵ Section 2(7) Consumer Protection Act 2019

¹⁶ Section 19, Consumer Protection Act, 2019.

providers and receive fair treatment and protection against unfair trade practices.¹⁷

Product liability

“Product liability” refers to the obligation of a product maker or seller to provide compensation, for any injuries sustained by a consumer due to a product they manufactured or sold or due to shortcomings, in the services associated with it.¹⁸ The New Act stipulates harsh penalties for manufacturers, merchants, product service providers, and dealers that make, service, or sell a defective product¹⁹. Damage encompasses property damage, personal injury, illness, or deaths, mental anguish or emotional distress relation to individual harm, disease, or damage to property, and any losses, as described by the CPA 2019 of consortium or service.²⁰

The Act has further defined products under section 2(33). The term is so broad that it leaves no room for the seller, trader, manufacturer, or service provider to avoid culpability in the event of a flaw or mistake produced by it.²¹ Section 2(35) further describes product responsibility, which is equally extensive in nature, but there is a gap as to how the court will determine whether the harm was indeed caused by the product and who is responsible for the product so that the persons responsible can be held accountable.²²

In a product liability case, the manufacturer will be found liable only if the product contains a manufacturing defect or a design flaw. There is a difference between the product’s specifications and its real appearance. The product does not meet the warranty standards provided. The product lacks adequate instructions for correct use to prevent injury, as well as warnings against improper use.²³ Even if a product producer can demonstrate that he issued an express guarantee neither carelessly nor fraudulently, he will be held liable. A product service provider is liable if the service he supplied was defective, imperfect, poor, or substandard in a product liability action. An act of omission, commission, negligence, or willful withholding of information caused the harm. The service provider failed to offer adequate instructions or safety precautions, as well as the service did not meet the claimed warranty or contract terms.²⁴

¹⁷ Chapter VII Offences And Penalties, Consumer Protection Act 2019.

¹⁸ Section 2(34), Consumer Protection Act, 2019

¹⁹ Section 82 read together with Section 83 of the Consumer Protection Act, 2019.

²⁰ Section 2(22), Consumer Protection Act, 2019.

²¹ Section 2(33), Consumer Protection Act, 2019

²² Section 2(35), Consumer Protection Act, 2019.

²³ Supra note 19

²⁴ Supra note 17

In Chapter VI of the Act, which addresses the liability of product sellers, product service providers, and product producers, as well as exceptions, product liability is addressed separately. Moreover, the Act stipulates the locus standi for filing claims of product liability. A product liability claim against a product maker can be filed by a consumer (i.e., a buyer or user of produced goods, but not a reseller or anyone who uses such goods for commercial purposes), an authorised volunteer customer affiliation, the Central or State Government, and one or more customers (where several consumers have same interest).²⁵

Consequential Liability

The Consumer Protection Act of 2019, in India has brought in the concept of liability making manufacturers, sellers and service providers for any harm caused to consumers by their products or services. This accountability applies when the product or service is flawed, substandard or does not meet the promised warranty or contract terms.²⁶

Furthermore, the Act outlines the responsibility of product sellers and service providers under circumstances. For example a product seller may be held accountable if they had involvement in altering, designing, testing, manufacturing, packaging or labeling a product that led to harm. Similarly a product service provider may be liable if their service was faulty or inadequate in quality or performance.²⁷

Additionally the Consumer Protection Act of 2019 has included provisions to oversee e commerce and digital transactions which have gained significance recently. It has created the Central Consumer Protection Authority (CCPA) to oversee consumer protection matters such, as addressing products and misleading advertisements during sales.²⁸

E-Commerce Rules 2020

India has a law that safeguards consumers on e-commerce platforms. These regulations clearly define the types of e-commerce entities, such, as inventory based and marketplace-based entities. Furthermore, they have reinforced consumer protection by outlining the responsibilities and liabilities of all e commerce entities.²⁹

²⁵ Consumer Protection Act, 2019, Chapter VI Product Liability.

²⁶ Supra note 19

²⁷ Consumer Protection Act, 2019, Section 86.

²⁸ Supra note 5

²⁹ E-commerce rules 2020, Section 4.

E-commerce Rules, 2020,³⁰ mandate e-commerce entities to ensure transparency and accountability. These rules require e-commerce platforms to provide clear return and refund policies, display all relevant information about products, and establish effective grievance redressal mechanisms. The rules also prevent unfair trade practices by prohibiting false advertising and ensuring that prices are not manipulated. They require marketplaces to establish a robust internal mechanism to address consumer complaints swiftly and efficiently.³¹

The E-Commerce Rules apply to:

- all goods and services (including digital products) transacted over an electronic/digital network;
- all models of e-commerce, including marketplace and inventory models (discussed below);
- all e-commerce retail (including multi-brand and single brand retail trading);
- all forms of unfair trade practices across all e-commerce models.³²

While the E-Commerce Rules apply to e-commerce entities, they do not apply to a natural person if:

- The activities are performed in a personal capacity;
- The activities are not part of any professional or commercial activity that is carried out on a regular or systematic basis.³³

Further, the E-Commerce Rules have extra-territorial application on those e-commerce entities which may not be established in India, but systemically offers goods and services to consumers in India.³⁴

These regulations impose obligations on entities that provide goods and services to Indian e-consumers. They require these entities to comply with consumer laws and appoint nodal officers who will be responsible for ensuring adherence, to these requirements.³⁵

Consumer Protection (E-Commerce) (Amendment) Rules 2021

The introduction of the 2021 amendments, to the Consumer Protection (E-commerce) Rules in India aims to offer protection for consumers involved in transactions. These amendments address concerns that have emerged

³⁰ E-commerce Rules, 2020

³¹ S. Maan, "An Analytical Study of E-Commerce Rules, 2020," 5 Int'l JL Mgmt. & Human. 1886 (2022).

³² Consumer Protection (E-Commerce) Rules, 2020, Rule 2(1).

³³ Consumer Protection (E – Commerce) Rules, 2020, Proviso to Rule 2(1).

³⁴ Consumer Protection (E – Commerce) Rules, 2020, Rule 2(2).

³⁵ Consumer Protection (E-Commerce) (Amendment) Rules, 2021

due to the growth of e-commerce including unfair business practices, deceptive advertising and the sale of counterfeit goods. As per the rules e-commerce companies are now required to provide information about their business, including their legal name and address. Additionally, they must establish a system for resolving consumer complaints. The rules also prohibit e-commerce entities from manipulating prices or engaging in any form of trade practices. It is mandatory for these entities to ensure that the products they sell are authentic and not counterfeit. To discourage behavior and safeguard consumer interests stricter penalties such as fines and imprisonment have been introduced for non-compliance with these rules. Overall, the 2021 amendments reflect the government's dedication, to protecting consumers in the e-commerce sector by ensuring access to dispute resolution mechanisms.

Bhartiya Sakshya Act, 2023

The Bharatiya Sakshya Act of 2023 is a piece of legislation that aims to modernize and simplify the regulations governing evidence, in India. This law holds importance for e-commerce and digital transactions as it covers the acceptance of records assumptions regarding electronic records and signatures electronic agreements as well as digital signatures and certificates.

Acceptance of Electronic Records

This Act guarantees that electronic records can be used as evidence in proceedings setting up a structure for the inclusion of digital evidence in court. It encompasses records stored in computer systems or devices and data transmitted electronically through communication networks.³⁶

Assumptions Regarding Electronic Records and Signatures

The Act establishes assumptions concerning the credibility and integrity of records and signatures making it simpler to demonstrate the legitimacy of transactions. These presumptions cover aspects like origin, integrity and dependability of records and signatures.³⁷

Electronic Agreements

Recognizing agreements as binding under the law this Act provides a framework for establishing and enforcing contracts. It includes agreements formed through methods, like transactions and digital signatures.³⁸

³⁶ Bhartiya Sakshya Act 2023, s. 63

³⁷ Bhartiya Sakshya Act 2023, s.81

³⁸ Bhartiya Sakshya Act 2023, s.85

Digital Signatures and Certificates

Enabling the use of signatures and electronic signature certificates ensures the trustworthiness and integrity of transactions. The practice involves employing signatures and certificates to authenticate the identities of individuals participating in online transactions.³⁹

BHARTIYA NYAY SANHITA, 2023

Section 318 of the BNS, the penalty, for cheating has been raised to a maximum of three years in prison. In cases of “cheating with the awareness that harm may be caused to someone whose interests the offender is obligated to safeguard” which represents a form of cheating and the punishment has been elevated to a maximum of five years in prison.⁴⁰

Organized Crime includes “mass marketing fraud” which is covered under the explanation “economic offence” thereby covering the e-commerce marketing frauds.⁴¹

INFORMATION TECHNOLOGY ACT, 2000

The Information Technology Act of 2000 provides a legal framework for e-commerce in India, including provisions related to consumer protection. The Act defines electronic contracts, digital signatures, and other aspects of online transactions, along with penalties for cyber crimes and data breaches. However, the jurisdictional issues regarding consumer protection in e-commerce transactions remain a challenge in India. The courts have struggled to apply traditional rules of jurisdiction in the context of online transactions, and there is a need for further clarity on how these rules apply in e-commerce cases. The Information Technology Act of 2008 contains the provisions pertaining to contracts formed electronically. The Information Technology Act of 2000’s Section 10A guarantees the legality of contracts made using electronic channels. It specifies that a contract shall not be judged defective or unenforceable only on the basis that it was created through electronic means whenever the proposal is communicated, accepted, revoked, or accepted in electronic form.⁴²

The I T Act,⁴³ is a cornerstone of India’s digital and e-commerce regulation. It provides a comprehensive legal

framework for electronic governance and addresses issues of cybercrime, including e-commerce fraud. The act was amended in 2008 to include sections on cyber fraud and security. It stipulates penalties and liabilities for various cyber offenses, thereby deterring malicious activities online. The IT Act also emphasizes the need for secure electronic records and digital signatures, which are critical for validating online transactions.

The 2008 amendment introduced significant changes to address the evolving cyber threat landscape. For instance, Section 66A, which deals with sending offensive messages through communication services, and Section 69, which grants powers to intercept and monitor any information through any computer resource, were introduced. Although Section 66A was later struck down by the Supreme Court in 2015 for being unconstitutional, other provisions continue to provide robust mechanisms to combat cyber fraud.⁴⁴

Indian Contract Act, 1872

E-contracts, which are standard form agreements defined by the Indian Contract Act, 1872 (“Contract Act”), are created during e-commerce transactions. Therefore, in order for e-commerce contracts to be effective, they must (i) be entered into with the parties’ free permission and (ii) have a legal consideration. The Contract Act regulates the requirements for electronic contract validity, proposal communication and acceptance, proposal withdrawal, and the establishment of contracts between buyers, sellers, and intermediaries.⁴⁵ Any online platform’s terms of service, privacy policy, and return policies must also be made sure to be enforceable by law.

Indian Evidence Act, 1872

The act has solved the problem of Admissibility of electronic evidence as an evidence. The amendment in the act on 17.02.2000 has provided the provisions for electronic evidence and admissibility of electronic evidence.⁴⁶

The acceptance of records as evidence follows rules. Electronic records, whether on paper or stored digitally are considered documents. Can be used in proceedings if certain criteria are satisfied. These criteria include ensur-

³⁹ Bhartiya Sakshya Act 2023, s. 86

⁴⁰ Bhartiya Nyay Sanhita Act, 2023, Section 318.

⁴¹ Bhartiya Nyay Sanhita Act, 2023, Section 111.

⁴² Information and Technology Act 2000, Section 1(2) r/w section 75

⁴³ The Information Technology Act, 2000

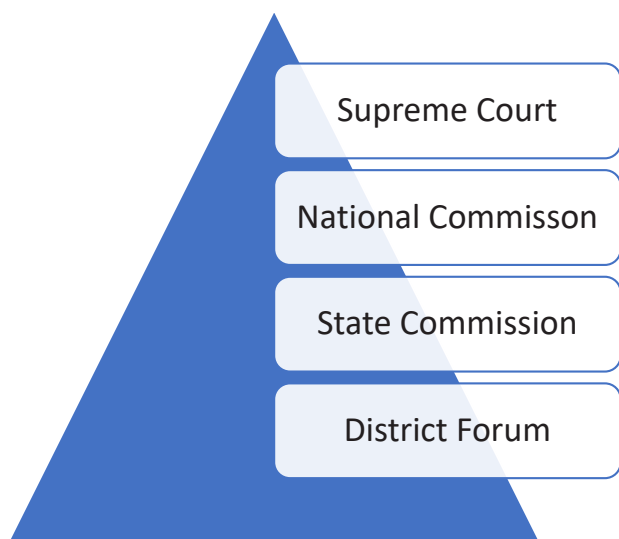
⁴⁴ S. Basu and R. Jones, “E-commerce and the law: a review of India’s Information Technology Act, 2000,” 12 Contemporary South Asia 7-24 (2003).

⁴⁵ Indian Contract Act, 1872, Section 10.

⁴⁶ V. Dubey, “Admissibility of electronic evidence: an Indian perspective” 4(2) Forensic Res Criminal International Journal 58-63 (2017).

ing that the computer output was generated during usage that data was consistently inputted into the system that the computer functioned properly and that the information reflects or is based on the input data. Moreover a document signed by an individual can be presented as proof detailing the specifics of the device used and how the electronic record was produced. This document helps establish the genuineness and admissibility of evidence.⁴⁷

Consumer Grievance Redressal Mechanisms



Effective grievance redressal mechanisms are crucial for protecting consumers from e-commerce fraud. These mechanisms ensure that consumers have access to timely and fair resolution of their complaints.⁴⁸The Act⁴⁹ provides for a three- tier Consumer Disputes Redressal Agencies. These are:

- a. District Consumer Disputes Redressal Commission
- b. State Consumer Disputes Redressal Commission
- c. National Disputes Redressal Commission

District Consumer Disputes Redressal Commission in the District

The District Consumer Disputes Redressal Commission, known as the District Commission, is a pivotal component of India's consumer protection framework, established in each district to handle consumer complaints efficiently and

effectively. This body is tasked with addressing cases where the value of goods or services paid as consideration does not exceed rupees one crore, making it the primary point of contact for a vast majority of consumer grievances.⁵⁰ The District Commission is composed of a President, who must be or have been qualified to be a District Judge, ensuring that the leadership has a solid judicial background.⁵¹ This requirement guarantees that the decisions made are informed by extensive legal expertise and understanding. In addition to the President, the commission includes at least two members, one of whom must be a woman. This gender-inclusive composition ensures diverse perspectives in decision-making, promoting fairness and sensitivity to various consumer issues.⁵² The District Commission entertains a broad range of consumer complaints, including those related to defects in goods, deficiencies in services, and unfair trade practices. By addressing such issues, the commission provides a crucial platform for consumers to seek redressal without the complexities and delays often associated with higher courts. The scope of its jurisdiction allows it to handle everyday consumer disputes efficiently, ensuring quick resolutions and maintaining consumer confidence in the system.⁵³

State Consumer Disputes Redressal Commission at the state level

The State Consumer Disputes Redressal Commission, or State Commission, serves as an intermediary appellate authority between the District Commissions and the National Commission. Each state in India has its own State Commission, which addresses more significant consumer disputes where the value of goods or services paid as consideration exceeds rupees one crore but does not exceed ten crore rupees.⁵⁴ This tier ensures that more complex and higher-stakes consumer disputes are handled with the requisite level of expertise and thoroughness. The State Commission is led by a President who is or has been a Judge of a High Court, bringing a high level of judicial acumen and experience to the commission. In addition to the President, the commission includes at least four other members, one of whom must be a woman.⁵⁵ This diverse composition promotes balanced decision-making and incorporates multiple perspectives, enhancing the

⁴⁷ Indian Evidence Act 1872, Sec 65B

⁴⁸ N. Chawla and B. Kumar, "E-commerce and consumer protection in India: the emerging trend," 180 *Journal of Business Ethics* 581-604 (2022).

⁴⁹ Consumer Protection Act, 2019.

⁵⁰ Consumer Protection Act, 2019, Section 34.

⁵¹ Consumer Protection Act, 2019, Section 29.

⁵² Ibid

⁵³ Arora, M. and Soni, A.K., *Redressal of Consumer Grievances through District Consumer Disputes Redressal Forums*, 3 *IJARSM* (2018).

⁵⁴ Consumer Protection Act, 2019, Section 47.

⁵⁵ Consumer Protection Act, 2019, Section 43.

fairness and comprehensiveness of the commission's rulings. The State Commission handles cases involving significant financial stakes, providing a forum for consumers whose disputes involve amounts between one crore and ten crore rupees. This jurisdictional range covers a wide array of consumer issues, from defective high-value products and deficient services to unfair trade practices and exploitative contracts. The commission ensures that these more substantial cases receive the detailed attention they require, often involving more complex evidence and arguments than those handled by the District Commissions.⁵⁶

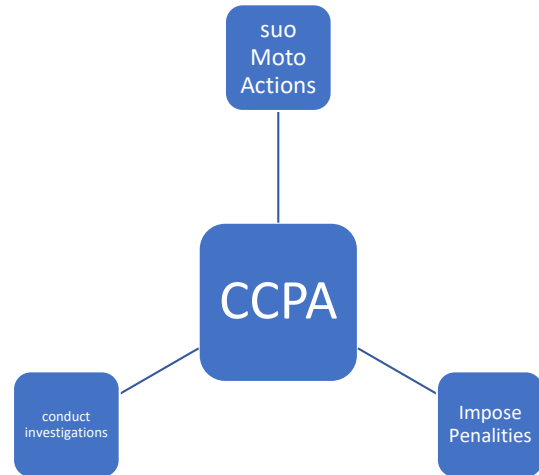
National Consumer Disputes Redressal Commission at the national level-

The National Consumer Disputes Redressal Commission, commonly known as the National Commission, stands as the pinnacle of the consumer dispute redressal mechanism in India. Located in Delhi, it plays a critical role in adjudicating the most significant and complex consumer disputes in the country. Its jurisdiction encompasses cases where the value of goods or services paid as consideration exceeds rupees ten crore, as well as complaints against unfair contracts that fall within this financial threshold.⁵⁷ The National Commission is chaired by a President who is or has been a Judge of the Supreme Court of India, ensuring that the commission benefits from the highest level of judicial experience and expertise. Alongside the President, the commission includes at least four other members, one of whom must be a woman. This composition not only brings a wealth of legal knowledge but also ensures gender inclusivity, providing diverse perspectives in the adjudication process. The National Commission handles a wide array of consumer complaints involving substantial financial stakes. These include cases related to defects in high-value goods, deficiencies in premium services, and complex issues arising from unfair trade practices. By focusing on high-stakes disputes, the National Commission ensures that such cases receive the meticulous attention and detailed scrutiny they demand, promoting justice at the highest level.⁵⁸

Effective grievance redressal mechanisms are crucial for protecting consumers from e-commerce fraud. These

mechanisms ensure that consumers have access to timely and fair resolution of their complaints.⁵⁹

Central Consumer Protection Authority (CCPA)



Established under the Consumer Protection Act, 2019, the CCPA has the authority to investigate and take action against unfair trade practices, including those in e-commerce. The CCPA can initiate suo moto actions, conduct investigations, and impose penalties on e-commerce entities that violate consumer rights. It also has the power to order recalls of unsafe products and issue safety notices to protect consumers.⁶⁰

CONCLUSION

The pace of technological development often outstrips that of legal frameworks, creating a gap between the two. To keep up with rapid technological progress, it may be necessary to utilize technology to bridge this gap as Charles Clark once remarked, "the answer to the machine is in the machine."⁶¹ Put simply, the most effective response to technical abuses may lie in the development and application of innovative technological solutions.

Academics and policymakers have increasingly focused on consumer protection concerns in the e-commerce realm. Governments and intergovernmental orga-

⁵⁶ Sharma, R.K., "Consumer Protection in India: Analysis of Consumer Protection Authorities at Centre, State and the District Level" 17 *Dynamics of Public Administration* 79-89 (2005)

⁵⁷ Consumer Protection Act, 2019, Section 58.

⁵⁸ M. Manoharan and M.M.A. Auxelian, "WORKING PERFORMANCE OF CONSUMER DISPUTES REDRESSAL AGENCIES IN INDIA", 1 *International Journal of Research in Management*.PP 40-44 (2015)

⁵⁹ N. Chawla and B. Kumar, "E-commerce and consumer protection in India: the emerging trend," 180 *Journal of Business Ethics* 581-604 (2022).

⁶⁰ V.K. Singh and A.K. Singh, "Central Consumer Protection Authority-A Critical Analysis," 8 *IJCLP* 59 (2020).

⁶¹ Ch. Clark, "The Answer to the Machine is in the Machine," in: P. Bert Hugenholtz (ed.), *The Future of Copyright in a Digital Environment*, The Hague: Kluwer Law International, p. 139.

nizations have also addressed these issues and developed a variety of frameworks to tackle them.

An assessment of the current legal framework reveals that it has addressed the needs of e-consumers to some degree. The Consumer Protection Act of 2019, for instance, excludes the provision of free services from its scope. If an online platform does not charge its users, the Consumer Protection Act 2019 may not apply. While the legal system has taken some steps to keep pace with emerging issues related to internet use, such as the enactment of various

rules under the IT Act 2000, there is still a long way to go. There is a requirement of e-commerce mechanism which acts quickly and helps the consumers who fell prey to consumer frauds.

Given the complexity of the legal landscape and the challenges that e-commerce businesses may encounter, it is crucial to have a deep understanding of the legal regime and potential issues. Effective risk management strategies are essential for these businesses to succeed in the industry.