

CONSUMER RIGHTS IN THE DIGITAL ENVIRONMENT: A CRITICAL ANALYSIS

*By Anusha Sharma**

ABSTRACT

Nearly every aspect of human life has been impacted by the development of “information and communication technology,” and the purchasing and selling of products. Understanding and defending rights of consumers is more important than ever in the digital age we live in. This abstract examines people's rights in the digital sphere and provides a critical evaluation of the opportunities and problems they encounter. We explore privacy issues, the complex nature of online transactions, and the influence of online platforms on consumer empowerment. The objective in looking into these matters is to provide insight into how to better safeguard and improve consumer rights in the quickly changing digital environment. This analysis fosters a thorough awareness of the rights and obligations that go along with the digital era by offering insightful information to businesses, consumers, and governments alike.

Keywords- Consumer Rights, Technology, Digital Environment, E-Commerce etc.

Indian Journal of Law & Society

* Assistant Professor of Law at Department of Legal Studies, LCIT College of Commerce and Science, Bodri, Bilaspur.

I. INTRODUCTION

The term "e-commerce" refers to the exchange of goods and services using electronic platforms like the global web and other networks of computers. Technologies including electronic funds transfers, supply chain management, online transaction processing, Internet marketing, electronic data exchange (EDI) and automated data gathering systems are all used in electronic commerce.¹

The Ministry of Consumer Affairs, Food, and Public Distribution of India unveiled the Consumer Protection (E-commerce) Rules, 2020² as a complete framework to regulate the growing e-commerce sector and also discusses the liabilities of marketplace e-commerce entities read with Section 79³ of IT Act⁴.

These rules serve as a safety net by bolstering consumer rights and promoting openness in online transactions. A fundamental prerequisite of these regulations is that e-commerce platforms must offer thorough product information, encompassing details about the product's origin, the vendor, and return policies.⁵

Furthermore, they recommend that e-commerce businesses establish effective processes for promptly addressing client problems. Because of the regulations strong stance against counterfeit and fraudulent goods, they play a crucial role and increase the accountability of e-commerce platforms for any such goods sold on them.⁶

Additionally, misleading advertising and unwarranted price manipulation are prohibited by the regulations. The regulations place a strong emphasis on the necessity of protecting client data privacy and data security. E-commerce companies have to make sure that their terms and conditions, which include their specified return and refund policies, are clear and that their product descriptions are truthful.⁷

¹ https://www.shs-conferences.org/articles/shsconf/pdf/2021/20/shsconf_lisid2021_01002.pdf.

² *Draft Amendments to the Consumer Protection (E-Commerce) Rules, 2020*, <https://prsindia.org/billtrack/draft-amendments-to-the-consumer-protection-e-commerce-rules-2020>.

³ Information technology act, 2000, § 79.

⁴ Zhang, X., Prybutok, V. R., & Strutton, D. (2007). Modeling Influences on Impulse Purchasing Behaviors during Online Marketing Transactions. *Journal of Marketing Theory and Practice*, 15(1), 79–89. <http://www.jstor.org/stable/40470277>

⁵ *Rights Of A Consumer In The Online Environment*, The Legal Journal on (July 22, 2022), <https://www.thelegaljournalontechnology.com/post/rights-of-a-consumer-in-the-online-environment>.

⁶ Kumar, N., Lang, K. R., & Peng, Q. (2004). Consumer Search Behavior in Online Shopping Environments. *E-Service Journal*, 3(3), 87–102. <https://doi.org/10.2979/esj.2004.3.3.87>

⁷ https://www.shs-conferences.org/articles/shsconf/pdf/2021/20/shsconf_lisid2021_01002.pdf.

II. Research Questions

1. Are there any rights as a customer when purchasing goods online?
2. Whether the higher judiciary is trying to curb the challenges faced by customers?
3. When a customer's expectations are not met by the product, to whom should they complain?
4. What is the existing scenario and how are the courts dealing with it?

III. Research methodology

The methodology will describe the nature of the study undertaken and explain & justify the research design. This study is purely doctrinal in nature and entails a rigorous evaluation of relevant legislation, journals, committee reports, articles, rulings, and case notes. The study is based on secondary sources of data. It includes various published papers; literature works and from Government sites.

IV. ANALYSIS OF TOPIC

The Consumer Rights Act of 2015 applies to any kind of product or service, whether it be digital, physical, purchased in-person, or purchased online as long as the requirements are followed. The products that are bought must be of high quality and not malfunction or be damaged. Used items are not included in this category. The products must meet the requirements to be utilized for the intended use for which they were intended. Your product or sample that you purchased must be the same as the description of your goods and services.⁸

E-commerce, or online-based business, is a rapidly expanding method of buying and selling goods and services. The retail market in India is incredibly disorganized. By 2021, e-commerce will only make up roughly 3% of the retail business; organized retail, or traditional stores, will account for 10%.⁹ The following are anticipated advantages of e-commerce:

- i. greater consumer choice;
- ii. less obstacles to entry for new businesses (facilitating online customer acquisition); and
- iii. enhanced industry efficiency and competitiveness.¹⁰

⁸ Deepak Singh, (Oct. 8, 2021), <https://ijcrt.org/papers/IJCRT2110078.pdf>.

⁹ Spiller, P., & Lohse, G. L. (1997). A Classification of Internet Retail Stores. *International Journal of Electronic Commerce*, 2(2), 29–56. <http://www.jstor.org/stable/27750846>

¹⁰ Dahiyat, E. A. R. (2019). Online Shopping and Consumer Rights in the UAE: Do We Need a Specific Law? *Arab Law Quarterly*, 33(1), 35–57. <https://www.jstor.org/stable/26768489>

In 2020, the government amended the Consumer Protection Act in response to several concerns about online shopping. The administration saw that the regrettable events had a detrimental effect on the mood of the market among businesses and consumers. Constant complaints about online fraud, unfair trade practices, and manipulative search tactics used to give some sellers preferential treatment or special treatment, restricting the freedom of choice for customers, and selling products that are almost out of date. All electronic department retailers, whether domestic or foreign, will be subject to the new regulations; nonetheless, they must provide their goods and services to Indian customers¹¹.

The newly established policies and standards seem to be telling online retailers that complaints and difficulties from customers should be handled amicably and that doing so will stop them from treating their merchants unfairly on their platforms. The following changes were spearheaded by the government to safeguard consumer interests:

The government has established a new definition of e-commerce, which states that it now encompasses both third parties and firms hired by e-commerce companies to execute purchases. Any organizations involved in order fulfillment include those that carry out tasks like product delivery and packaging as well as warehousing. It can include organizations like storage facilities, specific small-scale enterprises, and logistics firms whose primary line of work isn't e-commerce. For instance, any nearby store is able to collaborate with the courier and create a website.

- i. The local courier service must designate a nodal officer to work with law enforcement in accordance with the draft regulations.
- ii. register with the Department of Industry and Trade
- iii. in order to join the National Consumer Helpline of the Central Government's convergence process.

As an example, a related party or third party could be a firm or private company, an associate company holding a subsidiary, an investing company, or a public corporation in which partners or family members own two percent of the shares.

All it takes to sell things in small physical stores is to set up a website. For instance, a small bookstore can set up a website and ship its goods to customers. The only limitation placed on these vendors and purchasers is the requirement to designate a chief compliance officer

and a nodal officer who will work around the clock to comply with law enforcement.¹¹

Certain selling techniques, such as deceptive and cross-selling tactics, are also prohibited by the new draft regulations. These limitations only apply to inventory products, not to market venues. This is so because the marketplaces don't handle the actual selling of goods and services to final customers; instead, they merely serve as a platform for the exchange of items between sellers and buyers. The draft regulations also prohibit misrepresenting certain goods and services, such as promoting false goods and services, advertising goods and services with false product guarantees, making representations that might be construed as unfair trade practices, and willfully withholding information. The marketplace can determine whether the advertisement on its platform is legitimate or not because it does not keep the inventory.

The new regulations prohibit e-commerce companies from charging cancellation fees to customers who cancel an order after it has been confirmed on the platform, unless the sellers agree to reimburse the full amount of the purchase price in the event that the sale is canceled on their end.¹²

It is prohibited for them to discriminate against customers of the identical class or to arbitrarily classify customers in a way that could violate their rights by manipulating the prices of the goods sold on their platform.¹³

E-commerce also needs to show the specifics of the available payment options. Customers' payment options, including fees and charges that they must pay, as well as their contact information and other pertinent service provider credentials, need to be verified for security. They must also give information about their company, including whether or not it is registered. It is the vendors responsibility to include information about their location, customer service number, and reviews and ratings.¹⁴

¹¹ Anand, T., Ramachandran, J., Sambasivan, M., & Batra, G. S. (2019). Impact of Hedonic Motivation on Consumer Satisfaction Towards Online Shopping: Evidence from Malaysia. *E-Service Journal*, 11(1), 56–88. <https://doi.org/10.2979/eservicej.11.1.03>

¹² Mayer, R. N. (2002). Shopping from a List: International Studies of Consumer Online Experiences. *The Journal of Consumer Affairs*, 36(1), 115–126. <http://www.jstor.org/stable/23860162>

¹³ Dahiyat, E. A. R. (2019). Online Shopping and Consumer Rights in the UAE: Do We Need a Specific Law? *Arab Law Quarterly*, 33(1), 35–57. <https://www.jstor.org/stable/26768489>

¹⁴ Phelps, J., Nowak, G., & Ferrell, E. (2000). Privacy Concerns and Consumer Willingness to Provide Personal Information. *Journal of Public Policy & Marketing*, 19(1), 27–41. <http://www.jstor.org/stable/30000485>

CONCLUSION

In general, the conclusion is that consumers have benefited from the new e-commerce regulations by receiving safer services. Because of this pandemic, e-commerce has been a tremendous source of services. The government has carefully addressed every facet of it in terms of safety and giving the clients the desired and helpful services. Prior to the new restrictions being put into place, users were experiencing fraud and problems with online purchases. The safety of their purchases is assured by the new regulations.

