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CONSUMER PROTECTION IN E- COMMERCE: LEGAL FRAMEWORKS GOVERNING INFORMATION DISCLOSURE IN E- COMMERCE ENVIRONMENTS

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ABSTRACT

The consumer and businessman protection in business to consumers or business to business under on-line shopping has numerous serious threats viz., privacy, infringement or breach of Intellectual Property Rights, Online Piracy, unsolicited commercial electronic advertisements and spamming, free speech and censorship and other fraudulent activities etc. Although the existence of several advantages of E-Commerce like easy access to virtual global market, reduction in distribution costs, saving time, building a healthier relationship with consumers etc, yet the security and legal risk is still a major threat in the digitalized market. Therefore, for proper functioning of E-Commerce, Consumer and businessmen security is of prime importance. There are laws governing the purchasing and selling of products within Online shopping zone. The UN Guidelines on Consumer Protection, adopted in 1985, recognizes access of consumers to adequate information, as a legitimate requirement to consumer protection policy on online shopping. The Guidelines further recognize that failure to enforce existing laws that directly or indirectly regulate business respect for human rights is often a significant legal gap in State practice. Hence, it is pertinent that the State plays an integral role in filling the gaps by adopting adequate and transparent disclosure guidelines upon businesses carrying on electronic commerce both at national and transnational levels.

Keywords: E-Commerce, Consumer protection, security, digitalized market

I. INTRODUCTION

The UN Guidelines on Consumer Protection, adopted in 1985, recognizes access of consumers to adequate information, as a legitimate requirement to consumer protection policy. The Guidelines further recognize that failure to enforce existing laws that directly or indirectly regulate business respect for human rights is often a significant legal gap in State practice. Hence, it is pertinent that the State plays an integral role in filling the gaps by adopting adequate and transparent disclosure guidelines upon businesses carrying on electronic commerce both at national and transnational levels. In an endeavour to update the UN Guidelines on Consumer Protection in the digital age, Consumer International (CI) has also recommended that businesses engaged in electronic commerce should provide accurate, clear and easily accessible information about themselves, the goods or services offered and the terms and conditions on which they are offered to enable consumers to make an informed decision about whether to enter into the transaction. In the context of consumer empowerment, CI has proposed the adoption of Access to Knowledge (A2K) policy, which involves more equitable access to information to enable consumer decision.

Objectives of the Study

1. To record and analysis strategic plan for the consumer protection on Online shopping.
2. To identify and Analysis the problems faced by the consumers on online
3. shopping. To study the factors affecting the online shopping of the Consumer Protection.
4. To evaluation and analysis of digital and online shopping on consumer forum association.

II. CONSUMER ORGANIZATIONS

In the capitalistic system of the Market or economy privatization is the basic mode of production. And consumers remain as individuals responsible for their choice of products. With the growing times, these manufacturing companies become big organized houses having a considerable command over all the products available in the market. Unlike entities controlled by the democratic or other forms of government the motive of such private enterprises is only to make a profit. So, there have been instances of manipulation and adulteration of products as an insincere way of earning money. Or sometimes they indulge in the methods of dissemination of misinformation to a consumer and exploit them for their hard-earned money. This is more common in scenarios where products are services provided by any privately-owned companies. In such settings, victims often find themselves helpless against such business entities for the reclamation of their lost money or remediation of their misery. By the late 19th century various movements started to emerge for the protection of consumers from giant corporate houses. These movements translate into Consumer Organizations all over the world. Such groups were meant to be the voice of general consumers getting abused of any kind. They often take the course of litigation, protest, campaign or other means of peaceful actions

III. CONSUMER INFORMATION IN ONLINE SHOPPING

The architecture of electronic commerce provides a dynamic and collaborative platform to business and consumers. Rise in the number of individuals using the Information and Communication Technology (ICT) as a platform to trade has been the driving force underlying e-commerce. Among the various electronic modes, online shopping has been a popular mode of purchase of a wide variety of goods and services in India. Time efficiency and ample range of products and services to choose from makes online shopping a viable option for the consumer. Customers can inquire about their order status around the clock at the click of a mouse. Businesses are constantly innovating new technologies in order to adapt to new and evolving challenges in the area of online shopping. The ease with which electronic transactions take place attracts consumers to actively participate both in the domestic and global markets. Apart from new opportunities, it has also created numerous concerns and challenges in protecting the consumers, who embark on this new course of business. The concept of consumer protection has existed in every social order, primitive to modern, drawing support from several religious ordinances and commands of kings to various customary norms, with varying dimensions. During the initial legislative phase, provisions regarding protection of consumers constituted only a small part of the legislations relating to contract, sale of goods, prohibition on sale and purchase of certain commodities etc. Consumers had to depend on the ordinary remedies for defective products under laws governing implied conditions and warranties, guarantees of after sale service and advertisements in the form of contractual promises. The modern legislation has initiated an era of clear distinction of consumer rights and their protection with a formal system of enforcement. In other words, protection of consumer rights has been a continuous process from the primitive times to the modern digital age. The recent amendments to Consumer Protection law, provided under the Consumer Protection Bill, 2019 has recognized the need to step up the consumer law to meet the present-day digital challenges. Apart from the Consumer Protection Law, Information Technology Act, as amended in 2019, includes online market place within the definition of 'Intermediaries'. explicitly provides for exemption from liability of intermediaries only if such intermediaries prove due diligence beyond reasonable doubt. Information Technology (Intermediaries Guidelines) Rules, 2020 was introduced, which requires intermediaries to publish rules and regulations, privacy policy and user agreement for access or usage. The Rules also requires the intermediary to publish on its website the name of the Grievance Officer and his contact details by which users who suffer as a result of access to the computer resource can notify their complaints. Hence, it may be said that the provisions relating to intermediaries under the Information Technology Act, 2008 and the provisions under Information Technology (Intermediaries Guidelines) Rules, 2020 indirectly protect the interest of consumers by bringing in guidelines on information disclosures on the websites. Information about the online business, goods and services and information at every stage of the online transaction is pertinent to consumer decision making. Lack of information or low quality or obscure information provided by the online platform is an important challenge that remains unanswered in traditional consumer law.

Secondly, with insufficient consumer education and awareness measures, it is much easier for rogue trader to swindle consumerism the online markets. Thirdly, application of traditional territorial based jurisdiction and enforcement provisions to the non-territorial online shops need careful interpretation by the consumer grievance redressal agencies, which can otherwise seriously impact consumers' right to seek redressal in matters relating to online shopping complaints. Absence of uniform disclosure guidelines also impact service of notice and such other formalities in grievance redressal.

IV. CONSUMER AWARENESS AND CONSUMER MOVEMENT

Consumer movement comprehends the collective power of the consumer to take a country forward with respect to awareness, education, and development. The philosophy of consumer movement is mainly centred around testing of consumer goods and evaluating services offered and acting both as source and also as a clearinghouse of information and formation and development of new consumer organizations and providing advice, holding of seminars and rendering practical assistance in consumer protection and consumer education activities. Consumer movement is a social movement which seeks to enhance wellbeing and bargaining power of consumers. Consumer movement has threefold objectives viz: (i) Product safety: Product safety involves removing hazardous products, deceptive sales practice and consumer exploitation in the market (ii) Solution to consumer problems: Consumer movement interacts with the government to bring about appropriate new or amended regulation and for ensuring compliances from manufacturers and for imposing penalties for violations. It also addresses the issue of protecting consumers from health and environmental hazards by the government (iii) Consumer information and awareness: Consumer movement aims at providing consumer information -- - informing consumers of Laws and products. (Quality, price, handling institutions and after sale services) Consumer Grievances and Protection Consumer Rights The consumer in India is faced with the problems of counterfeit products duplications and adulterations in the market. Consumers are exposed to adulterated food, polluted air contaminated water, spurious, unsafe and substandard products especially drug we purchase and the recurrent shortage of essential commodities. Indian consumers suffer from humiliation and harassment in every market. Consumers in India are heterogeneous in composition following different religions, speaking different languages using sometimes different products and services and adhering to varied traditions. A deep-rooted cultural, economic, social and political force has made the consumer in India a mere receiver of goods and services rather than a chooser of what he would like to have and enjoy. Measures for protection of Consumer Rights Protection of consumer interests and rights have assumed paramount importance in view of the ever-increasing population leading to demand a large variety of goods and services. Further, the market in the Indian context is largely seller's market with little or no bargaining power on the part of buyers. Besides the buyers in India are not well organized and are not aware of their rights. Under their circumstances, the traders are prone to indulge in unfair practices while dealing with consumers. Efforts are being made by the Government and the consumer organizations to change the situations in favour of consumers and the ways and means of consumer's complaints and protecting their interests are evolved through consumer Forums and consumer councils under the consumer protection Act 1986. Major objectives of these councils are to protect the basic rights of a consumer which is also, the objective of the consumer protection Act.

V. CONSUMER EDUCATION AND AWARENESS

The study indicates that consumers who shop online are positive about the importance of adequate and uniform disclosures about the business, description of goods and service and the transaction. Among the six factors mentioned above, consumers indicated that pricing details is the most important factor in online shopping followed by cancellation details, return, refund, availability and contact details. Overall, the scores for all the six factors were very high, which calls for a regulatory requirement in terms of uniform disclosure guidelines for online shopping sites in terms of the above six important factors. Study also reveals that consumer associations strongly support the consumer voice on devising a uniform regulation on information disclosures, to be complied by businesses who sell through the online portal. Policy makers may take cue from the study for devising strategies for such uniform information disclosures to protect the interest of the consumers. What is needed is a regulatory framework that balances the interests of consumers and business in terms of providing accurate, clear

and easily accessible information about themselves, the goods or services offered, and the terms and conditions on which they are offered, to enable consumers to make an informed decision.

VI. CONCLUSION

The empirical study conducted through this Chapter advances the proposition that right to information needs to be strengthened in order to bring consumers to a level playing field in online consumer contracts. order to develop uniform disclosure information among the stakeholders. Analysis further indicates that consumer rights in online transactions can be emphasized through use of social and multimedia streams, rigorous research process and Mediation centres, all of which play an integral role in filling the gaps in accessing disclosure of uniform information across every consumer. Factor analysis of consumer responses to uniform disclosures were broken into 6 majors' factors - Refund and Return/Replacement, Cancellation, Pricing, Availability, Customer Care Details and Contact of Physical Entity. Descriptive analysis of the above factors indicates that uniform disclosures with respect to all the above factors were important to the consumer with information regarding cancellation being of highest importance to contact details of online business being least. With respect to the level of consumer education in electronic commerce, the study indicates that importance of consumer rights is perceived same by consumers who are aware of their consumer rights and who are not with respect to factors such as refund and return/replacement, availability, customer care service and contact details while it is perceived differently with respect to pricing and cancellation. This is an important indicator which shows that the present consumer awareness programmes are insufficient in enabling consumer to make an informed choice while making an online purchased.

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