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Impact of Digitalization on Consumer Rights in India: Legal Frameworks & Issues



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Abstract

The paper examines consumer rights adjustments to Indian digital economic trends and the legal systems that protect consumers in present-day digital environments. Indian consumers face numerous new threats, such as data privacy breaches, online frauds, and problems within digital transactions resulting from the rapid growth of digital services and e-commerce and mobile payments. The investigation analyses the Indian consumer protection framework by evaluating traditional frameworks alongside modifications to the digital environment. The research evaluated the Consumer Protection Act of 2019 and the Information Technology Act of 2000 regarding their capacity to protect consumers from modern technological threats. The research examines digital consumer rights protection through studying the operational activities of CCPA and TRAI. The analysis presents effective legal procedures that consumers must follow when dealing with disputes and online digital fraud cases. This paper establishes recommendations to enhance digital economic protection in India by implementing strong data protection mechanisms and quicker dispute resolution enabled through enhanced surveillance from government entities.

Keywords: Consumer Rights, Digitalization, E-commerce, Consumer Protection Laws, Data Privacy, India

1. Introduction

Digital transformations in Indian economics introduced innovative purchasing and service utilization methods, which have created major shifts in business-customer connections. People in India use e-commerce websites with mobile apps and fintech platforms to purchase goods because these services have gained extensive acceptance. Economic growth and digital convenience give birth to new consumer risks, whereas protecting consumer rights gets progressively more difficult to achieve. Digital platforms integrating marketplaces and payment gateways with mobile wallets currently provide expanded electronic access for public shopping services, banking facilities, and service delivery¹. The rise of quick services has generated new issues for consumer protection that result in adverse effects for online customers. Users accessing digital platforms encounter severe security risks from such platforms as fraud crimes combined with data breaches, identity thefts, and vendor misconduct. The established regulatory systems and law frameworks within digital space lead numerous consumers to lack protection because of their regulations. In these situations, data protection stands as the main problem. Customers must expose large amounts of personal data during each online purchase, which makes them vulnerable targets for cybercriminals². Businesses conduct data privacy violations at an increasing rate since they want to analyze consumer data for marketing purposes, targeted advertising, and market research. Stronger legislation for data protection continues to gain prominence after numerous incidents of personal information abuse became more prevalent. New forms of consumer exploitation have appeared because people continue to depend more on digital platforms. Online fraud, which consists of phishing scams and fraudulent advertisements, has increased its prevalence. Online consumers face various problems, including false product information, late delivery services

1 B M Hussain and M Rafi, 'Online Financial Transactions in India: A Study of Its Significance, Frauds and Security Models to Counter Frauds' (2023) 16 Int J Intell Engg & Sys 3.

<https://doi.org/10.22266/ijies2023.0630.36>.

2 U Ghosh, 'Online Financial Frauds and Cyber Laws in India: An Analysis' (2021) 10 Fin Frauds & Cyber Laws 1.

and inadequate customer assistance throughout e-commerce transactions³. Implementing consumer protection laws such as the Consumer Protection Act of 2019 and the Information Technology Act of 2000 becomes difficult when enforcing them in the digital domain. The research evaluates how digitalization affects consumer rights in India by analyzing current legal frameworks intended to safeguard consumers. This paper assesses the new problems consumers face in digital environments, digital privacy concerns, and Internet fraud risks. It evaluates the law's response to online commercial growth. The research aims to evaluate India's consumer protection laws within the digital era to establish recommendations to enhance these safeguards⁴.

2. The Growth of Digitalization and E-Commerce in India

Digital technologies have grown exponentially in India over the last decade because of their rapid adoption in e-commerce retail, mobile payment systems, and digital service industries. The Ministry of Electronics and Information Technology (MeitY) indicates that India currently has over 600 million internet users, which is expected to accelerate in the coming years. The digital explosion provides companies with new possibilities to approach consumers through channels that would have been impossible in the past. The digital platforms enable shoppers to buy products and use financial services through home-based access, which produces an accessible and connected market environment. The rise of these digital services also gave better service and product availability to people in rural and remote parts of India⁵. Through its exten-

3 S Sahney, K Ghosh and A Shrivastava, 'Conceptualizing Consumer 'Trust' in Online Buying Behaviour: An Empirical Inquiry and Model Development in Indian Context' (2013) 7 J Asia Business Stud 3 <https://doi.org/10.1108/JABS-Jul-2011-0038>.

4 S Basu and R Jones, 'E-commerce and the Law: A Review of India's Information Technology Act, 2000' (2003) 12 Contemp S Asia 1 <https://doi.org/10.1080/0958493032000123344>.

5 R Kumar et al, 'Study on Online Payments and E-commerce with SOR Model' (2023) Int J Retail & Distribution Mgmt <https://doi.org/10.1108/IJRDM-03-2023-0137>.

sive expansion to rural territories, Amazon, Flipkart, and numerous speciality online marketplaces teach rural consumers about diverse product options at discounted prices. Local artisans, small businesses, and farmers now benefit from digital marketplaces to sell their products online, thus building new opportunities for earnings and business development. Economic opportunities have undoubtedly improved through digitalization, yet several new threats and issues require attention to be appropriately managed⁶. Online consumers face significant difficulties in fraud, cybercrime, and unfair trade practices because of the digital economy. Identifying theft, financial fraud, and misinformation threatens consumer safety because they constantly use online platforms to shop, bank and socialize. When consumers make purchases anonymously, there is no practical way to detect those committing fraud in digital transactions, so they find it difficult to get justice in fraud cases. Fast-growing digital platforms now exceed the development of regulatory frameworks, resulting in shortcomings in consumer protection and enforcement issues⁷.

2.1. Digital Financial Services and Mobile Payments

The expansion of digital financial services combined with mobile payment methods has strongly increased the levels of digitalization throughout India. Dramatic changes have occurred in Indian financial transaction systems since fintech launched mobile payment gateways, digital payment platforms, and wallets. Users can now make payments, including grocery shopping and utility bill payments, through mobile payment services like Paytm, Google Pay, and PhonePe⁸. The National Payments Corporation of India (NPCI) shows that digital transactions in India surged substantially, and mobile payments formed a major percentage of the total growth. The Digital India campaign and the Pradhan Mantri Jan Dhan Yojana (PMJDY) have quickened the rate at which 6 B Y Qi and J Xiao, 'Fintech: AI Powers Financial Services to Improve People's Lives' (2018) 61 Commun of the ACM 11 <https://doi.org/10.1145/3239550>.

7 S Tripathi, 'A Review of Literature Based Online Fraud in India' (2022) 12 ADHYAYAN: J Mgmt Sci 1 <https://doi.org/10.21567/adhyayan.v12i1.9>.

8 M Sinha, H Majra, J Hutchins and R Saxena, 'Mobile Payments in India: The Privacy Factor' (2019) 37 Int J Bank Mktg 1 <https://doi.org/10.1108/IJBM-05-2017-0099>.

mobile money adoption occurs. Digital financial services enhanced financial inclusion by providing banking benefits to people who lacked bank access. The formal economic system extends its services through financial products to previously inaccessible areas, where customers can manage funds protected from harm and obtain loans.

Government backing for the cashless economy has strongly accelerated the adoption of digital payments nationwide. Mobile payment growth delivers multiple customer benefits, although the market expansion introduces essential security and privacy issues that consumers need to address. Security measures on Google Pay and Paytm rely on encryption and two-factor authentication to protect users, but digital threats against customers continue to appear. Mobile payment system users encounter regular threats of fraudulent crimes through deceptive attempts at phishing scams, unauthorized account takeovers, and illegal transactions⁹.

The convenience of online transactions has made fraud more likely to occur since users do not have a sufficient understanding of security risks. Digital financial operations encounter major issues with data privacy since this matter has recently become more important than ever¹⁰. Mobile payment systems stockpile and maintain users' private information, from financial documentation through payment techniques to precise geographical affirmations. Improper handling of personal information and abuse causes severe privacy violations that generate privacy breaches and identity theft occurrences. The Personal Data Protection Bill (PDPB) addresses these matters, while India maintains no laws protecting consumer data from exploitation. Digital financial services create new challenges to the system because adequate measures for transparency and accounting need better implementation¹¹. Many mobile wallet users

9 A S, 'Impact of Social Media on Purchase Decision Making of Customers' (2023) 5 Int J For Multidisciplinary Res 2 <https://doi.org/10.36948/ijf-mr.2023.v05i02.2045>.

10 R Gupta and K Nair, 'A Conceptual Model for Promotion on Digital Platforms' (2021) 27 Acad of Entrepreneur J Special Issue 2.

11 K Rani and D Scholar, 'Challenges of Online Shopping and Consumer Protection' (2015) 3 Int J in Mgmt & Soc Sci 6.

and online transaction consumers feel unclear about their service fees. Users develop mistrust of digital payment systems because fees remain hidden while service terms and fees appear ambiguous in certain situations, which results in unexpected costs for customers. A regulatory framework should exist to provide consumers with necessary information about digital payment systems since digital customers need protection of their rights in these structures.

3. Legal Framework for Consumer Protection in India

The Indian government has established different legislative measures to safeguard consumer rights nationwide. Legal frameworks in India require reform because the nation faces challenges from its rapid digital transformation process. The changing nature of digital markets led to additional provisions in current laws while total regulatory frameworks were being developed¹². The following segment examines the core laws that protect Indian consumers alongside their applicability to the digital environment.

3.1. The Consumer Protection Act, 2019

India adopted the Consumer Protection Act 2019, which refined legal methods for resolutions to consumer disputes and provided amplified consumer rights across the nation. The Act includes diverse provisions safeguarding digital consumers because it handles their e-shopping problems. The 2019 Act contains regulation of e-commerce market sectors as its central component. Along with specific marketplaces, e-commerce platforms such as Amazon and Flipkart have gained mass popularity in recent years to reshape every aspect of consumer business partnerships¹³. Consumer safety holds the highest position in the Act's priorities since it brings marketplace constraints and direct sales

12 A Didwal and R Negi, 'Legal and Economic Perspective of the Consumer Protection Act, 2019 in India: An Overview' (2022) 10 Int J of Sci Res & Mgmt 8 <https://doi.org/10.18535/ijrm/v10i08.11a01>.

13 S Sindhu and N Negi, 'The Consumer Protection Act, 2019: A Comparative Study with the Consumer Protection Act, 1986' (2022) Paripex Indian J of Res <https://doi.org/10.36106/paripex/1209259>.

provisions to ensure this outcome. Online vendors must disclose transaction conditions transparently as they reveal product attributes to customers along with their transportation policies and exchange rules. Online platforms must present their complaint resolution systems to customers according to the Consumer Protection (E-Commerce) Rules 2020, which stem from the Act.

The provisions enable shoppers to obtain more transaction details before making decisions but preserve flexibility when facing transaction obstacles¹⁴. The Central Consumer Protection Authority established itself under the Consumer Protection Act 2019 to receive immediate power to deal with unfair trade practices alongside fraudulent promotional content and deficient products or services frequently appearing in the digital market. Under the CPPA, agents can enforce quick law enforcement measures without waiting for petition submissions. Through the essential digital protection system, web-based investigation systems enable investigators to see fraudulent marketing practices by handling online review fraud and dubious commercial presentations¹⁵. The Act establishes Consumer rights advocates to offer digital consumers official complaint channels according to its specifications. The ODR capabilities in the legislation allow consumers to receive improved conflict resolution services through digital systems that minimize the need for prolonged court procedures.

3.2. The Information Technology Act, 2000

Indian digital consumer protection measures must be implemented using the Information Technology Act of 2000 (IT Act). The IT Act established cybercrime management systems and security safeguards for electronic data in e-commerce to allow digital business operations. The IT Act provides various essential legal instruments for maintaining electronic record storage standards and developing digital signature standards. The legal tools implemented under the IT Act act as shields to fight computer hacking and protect personal data

14 A Saha and S R Khanna, 'Evolution of Consumer Courts in India: The Consumers Protection Act 2019 and Emerging Themes of Consumer Jurisprudence' (2021) 9 Int J on Consumer Law & Practice.

15 R Gupta, 'Protection of Consumer Rights in E-Commerce in India' (2020) https://doi.org/10.1007/978-981-15-6907-4_9.

from theft. Section two of the IT Act specifically covers data protection and privacy because it aims to safeguard fundamental rights for digital consumers¹⁶. Companies face legal responsibility for two reasons under the Act: both inadequate data protection and unauthorized data access per Sections 43A and 72A of the law. Digital businesses must comply with strict cybersecurity guidelines, which represent specific guidelines governing customer information. Penalties for unauthorized personal information exposure must be established in line with the Act alongside regulations to secure personal information from unapproved disclosure¹⁷.

The main enforcement capacity of the IT Act depends on digital control systems, yet it primarily enforces cyber offences in electronic business transactions without offering proper end-to-end client protection. Present laws do not provide sufficient guidelines to address substandard digital products and consumer money loss experienced in digital service industries. The development of a digital economy depends heavily on new IT Act provisions and amendments because they enhance the protection of digital consumers. The Internet fraud protection sections are missing from the Act since the Consumer Protection Act 2019 established e-commerce security measures for protection. The IT Act demonstrates an essential flaw because it classifies digital service providers as online platforms alongside. The control authority does not extend to mobile applications or social media companies operating under the law¹⁸. The IT Act does not provide fundamental criteria regarding business fairness and consumer rights protection for digital service providers.

The current shortage of official options to resolve customer complaints leads them to negotiate with high fees, disclosed pricing, and inaccurate features. During the active financial technology and digital payment period, the 16 S Kr Gandhi, 'E-commerce and Information Technology Act, 2000' (2006) Vidyasagar Univ J of Commerce 11.

17 M A Yadugiri and G Bhasker, 'The Information Technology Act, 2000, in English for Law' (2011) <https://doi.org/10.1017/upo9788175968660.018>.

18 A Bhushan, 'Understanding of Information Technology Act for E-Governance in India' (2019) IIBM's J Mgmt <https://doi.org/10.33771/iibm.v4i1-2.138>.

IT Act should receive improved consumer protection measures that defend financial data security while addressing payment system disputes and privacy violations and protecting users from digital payment fraud. Better legal modifications should include regulating cryptocurrency digital loans and mobile payment technology because existing regulatory frameworks fail to define these assets. Digital technological development, combined with the shifting financial habits of customers, creates security hazards for users during the sector's drive for innovation. The Indian IT Act requires revision to accommodate modern technological advancements, namely e-commerce social media and fintech services, for better online consumer protection¹⁹.

4. The Impact of Digitalization on Consumer Rights

Digital transformation in India's economy leads to constructive developments and unwanted modifications of consumer rights. People who utilize digital platforms for buying, banking, and socializing online expose traditional market rights to potential hazards²⁰. Users of e-commerce platforms, digital payment services, and mobile-based services must cope with privacy concerns and security hazards before they can successfully resolve conflicting situations. This part evaluates numerous essential consumer challenges that emerge during our present digital age.

4.1. Data Privacy and Protection

Customers have made data privacy a fundamental priority during the digital period. Consumers share massive amounts of personal information and financial data in every interaction on the internet, including internet transactions and social media usage. Businesses benefit from holding consumer data, but consumers generally have no power to determine how the data will be processed or distributed. Consumers remain exposed

19 K Shankaraiah and D Mahipal, 'E-Commerce Growth in India: A Study of Segments Contribution' (2018) 22 Acad Mktg Stud J 2.

20 N Chawla and B Kumar, 'E-Commerce and Consumer Protection in India: The Emerging Trend' (2022) 180 J Bus Ethics 2 <https://doi.org/10.1007/s10551-021-04884-3>.

to multiple threats because current data protection laws in India are insufficient to protect their personal information from misuse, privacy violations, and identity theft²¹. Despite the Information Technology Act of 2000 and its amendments providing certain privacy and data protection provisions,

they fail to meet the needs of current digital service complexities. The Personal Data Protection Bill (PDPB) appeared in 2019 because of growing data protection requirements and borrows its content from the General Data Protection Regulation (GDPR) of the European Union. Consumer data control is strengthened under this proposed bill because businesses must obtain permission from users to gather information, and users must maintain access to their data.

In contrast, businesses need to secure user information. The Personal Data Protection Bill exists only within review processes, so consumers in India continue to face data security risks. Multiple businesses conduct their operations without strict data protection measures, so data breaches and unlawful uses of personal information frequently occur. A missing legal structure impedes consumers from taking action against privacy breaches since businesses make it hard to pursue compensation effectively²². The digital expansion requires strong personal data protection measures because consumer trust depends on it in the online market.

4.2. Online Fraud and Digital Consumer Scams

Residents face rising worry about online fraud because digital financial services and e-commerce markets keep expanding. Phishing scams primarily victimize digital consumers and fraudulent websites, while credit card fraud and deceptive online advertising complete the list of standard exploitation

21 A K, 'Critical Analysis: Interplay of E-commerce and Consumer Protection, in Conformity with International Standards' (2024) 6 Int J For Multidisciplinary Res 1 <https://doi.org/10.36948/ijfmr.2024.v06i01.12841>.

22 D D Hardigaluh and M S Pulungan, 'Comparative Study on Legal Certainty of Consumer Protection Regarding E-Commerce Transactions, Between Indonesia, India and the United States' (2022) 5 Musamus Law Rev 1 <https://doi.org/10.35724/mularev.v5i1.4858>.

methods. The Reserve Bank of India (RBI) has documented a dramatic increase in cybercrimes and online fraud cases across the nation, demonstrating deteriorating consumer protection²³. Phishing represents an extensive form of digital scam that manipulates victims into surrendering their passwords and financial account information. The main threats to consumers come from fake websites that look precisely like official platforms and fraudulent mobile apps that deceive users. Consumers without knowledge about these scam warning signs risk getting their identities stolen or losing money because of cyber criminals.

Online advertising trickery and fake review promotions produce misinformation, leading customers to make wrong purchasing decisions that fail to meet their requirements. The rapid digital sector expansion in India has surpassed the ability of the Cyber Crime Investigation Cell along with the Financial Intelligence Unit to establish proper enforcement methods, although both entities are regulatory bodies. Most consumers do not know which systems exist to report online scams, and their reported cases face lengthy delays and inadequate response systems. Consumer protection laws online should advance by creating effective ways to recognize and combat cybercriminals once they commit offences. Digital payment providers, alongside financial institutions, should fully adopt their responsibilities to secure all transaction activities²⁴.

New authentication methods combined with encryption systems have created some improvements against fraud, but electronic shoppers continue to deal with substantial security risks. Employee judgment plays a significant role in controlling fraudsters operating on digital platforms, yet law enforcement needs to collaborate with technology companies to combat these issues²⁵.

23 G Kaur, 'Threats to the Rights of Consumers in E-Banking in India: An Overview' (2018) SSRN Electron J <https://doi.org/10.2139/ssrn.2983199>.

24 S N Mandal, 'Protection of Consumers' Rights: A Socio-Legal Challenge in India' (2012) SSRN Electron J <https://doi.org/10.2139/ssrn.1707568>.

25 N Sharma, 'Awareness in Consumer about Consumer Protection Act. & Consumer Right in India' (2013) 7 GlobSyn Mgmt J 1/2.

The remedy begins with strengthening regulatory oversight, implementing consumer awareness campaigns, and better technology partnerships between these entities.

4.3. E-Commerce and Online Dispute Resolution

Introducing online shopping to the Indian market created new problems regarding product quality, delivery difficulties, and customer returns. The rise of online customers results in more delivery disagreements and product complaints about inferior quality and deficient support options. It becomes difficult to resolve consumer disputes online because no physical face-to-face meetings are possible between businesses and consumers. Under the authority of the Consumer Protection (E-Commerce) Rules of 2020, created through the Consumer Protection Act 2019, the government addresses technical problems with online marketplaces²⁶.

E-commerce operators must establish mandatory supervision systems to uphold fair business practices, enabling complete transparency towards their clients. E-commerce platforms must present entire buying terms to customers while providing adequate complaint channels to ensure quality digital products and services. Under these laws, the right to return faulty purchases exists since time restrictions provide better consumer protection than traditional Internet shopping practices. Significant difficulties arise when implementing the Consumer Protection (E-Commerce) Rules. The rise of ODR mechanisms happened because consumers preferred their affordable dispute resolution method, which functions more effectively than traditional legal processes. India requires additional study of the operational characteristics of its ODR system that suit its market structure²⁷. Users of ODR platforms encounter difficulties even though they get criticized for their lack of fairness and transparency. Indian customers

26 S Y Leng, A Talib and A Gunardi, 'Financial Technologies: A Note on Mobile Payment' (2018) 22 Jurnal Keuangan & Perbankan 1 <https://doi.org/10.26905/jkdp.v22i1.1993>.

27 S K M Kavya and M Nagabhushanam, 'Consumer Behaviour in New Digital Era: A Paradigm Shift' (2018) 5 Int J of Mgmt Studies 3(7) [https://doi.org/10.18843/ijms/v5i3\(7\)/07](https://doi.org/10.18843/ijms/v5i3(7)/07)

find it difficult to settle e-commerce disputes since their legal framework needs adequate dispute settlement procedures.

5. Challenges in Enforcing Consumer Rights in the Digital Age

The advancing digital transformation of India's economy makes protecting consumer rights in the digital domain more challenging. Multiple challenges emerging from e-commerce systems, digital financial services, and online platforms block the effective protection of consumers²⁸. This part investigates the primary obstacles consumers, businesses, and regulators encounter when enforcing digital consumer rights.

5.1. Jurisdictional Issues

The enforcement of consumer rights poses its most crucial hurdle when companies operate beyond the jurisdiction of Indian authorities in the digital realm. Internet expansion enables e-commerce platforms and digital service providers to establish operations outside Indian borders. Digital transactions between different jurisdictions create obstacles for Indian regulators and courts when they attempt to intervene during consumer disputes²⁹. The buying process of Indian consumers from international e-commerce platforms follows the rules set by their operating location country. Foreign entities outside India become difficult to resolve when consumers have product or service issues because Indian authorities frequently lack the proper legal mechanisms or authority to enforce actions against international companies. Complex regulations that manage foreign online commercial activities create additional hurdles for resolving jurisdictional conflicts.

28 S Sahney, K Ghosh and A Shrivastava, 'Conceptualizing Consumer 'Trust' in Online Buying Behaviour: An Empirical Inquiry and Model Development in Indian Context' (2013) 7 J Asia Business Stud 3 <https://doi.org/10.1108/JABS-Jul-2011-0038>.

29 A S, 'Impact of Social Media on Purchase Decision Making of Customers' (2023) 5 Int J For Multidisciplinary Res 2 <https://doi.org/10.36948/ijfmr.2023.v05i02.2045>.

The Consumer Protection Act of 2019 and the E-Commerce Rules of 2020 establish some regulatory systems for e-commerce transactions, yet they do not extend extraterritorially to all situations. The unclear definition of countries' power to enforce laws exposes consumers to scraping exploitation in situations of falsified information or disagreements over subpar goods or service terms³⁰. Countries must work together to solve these issues since fragmented digital regulation across different jurisdictions leads to enforcement gaps.

The United States and the European Union succeeded in digital service regulation, but worldwide uniformity of consumer protection regulations remains distant.

5.2. Anonymity of Online Sellers

The difficulty of upholding consumer rights online is primarily because online sellers operate anonymously. The anonymity features of the internet enable unidentified fraudulent sellers and businesses with sketchy operations to pursue activities without detection. Online consumers struggle to determine seller legitimacy since digital platforms provide limited information about service providers on third-party platforms and peer-to-peer services. Sellers who remain anonymous use this situation to execute fraudulent operations, including offering pretend merchandise and performing deceitful promotions and deceptive commercial activities³¹.

Scammers create difficulties for victims in finding sellers because digital platforms either fail to verify their users properly or keep seller information private. Legal actions against sellers prove difficult because they usually conduct their activities outside India. Digital platforms have become more complicated to use owing to the increasing number of cases where product information is fake and seller reviews are deceptive.

30 S N Mandal, 'Protection of Consumers' Right Through Judicial and Extra Judicial Mechanism in India' (2012) SSRN Electron J <https://doi.org/10.2139/ssrn.1707572>.

31 K Satyan, 'E-Commerce and Consumer Rights: Applicability of Consumer Protection Laws in Online Transactions in India' (2015) SSRN Electron J <https://doi.org/10.2139/ssrn.2626027>

The power of sellers to change product ratings and reviews makes digital platforms untrustworthy for consumers because users cannot depend on the information shared on these platforms. Users who cannot validate seller honesty select incorrectly, which causes them to sustain financial losses and reduce trust in e-commerce platforms³².

5.3. Difficulty in Verifying Online Transactions

Online transaction convenience introduces a challenge to consumers who must verify product shipment and purchase data. Online transactions work through electronic systems, which block consumers from obtaining purchase details because their buying activities occur in virtual environments without direct documentation. Consumer purchases from e-commerce sites need well-explained methods for delivery and product quality assurance because third-party sellers process their orders. About half of the consumer cases regarding fraudulent transactions and disputed product quality face complex challenges during the proof presentation³³. The design of secure electronic payment methods protects them from fraud, yet they continue to face fraudulent incidents.

Digital platforms often make it hard for consumers to monitor unauthorized payments or keep records since they fail to deliver proper receipts or documentation to users. Standardization of record-keeping combined with transaction verification methods makes it harder for individuals to resolve issues during such processes. Most online platforms fail to provide their consumers with appropriate information regarding dispute resolution steps while lacking sufficient consumer rights information. The Consumer Protection (E-Commerce) Rules, 2020 require e-commerce platforms to create specific grievance resolution systems, but enforcement of these requirements shows irregular behaviour. Buying products through e-commerce comes with challenges since

32 K V R and Dr C B, 'Expanding Horizons Consumer Rights Under Consumer Protection Act, 2019' (2023) 5 Int J For Multidisciplinary Res 6 <https://doi.org/10.36948/ijfmr.2023.v05i06.10356>

33 S Basu and R Jones, 'E-commerce and the Law: A Review of India's Information Technology Act, 2000' (2003) 12 Contemp S Asia 1 <https://doi.org/10.1080/0958493032000123344>.

customers need to handle intricate return processes while dealing with uneven customer support for compensation³⁴.

5.4. Uninformed Consent and Exploitation

Electronic contract adoption by consumers happens frequently when they lack complete comprehension of contract terms. Consumer agreement through uninformed consent happens because of extensive acceptable print documentation which lacks sufficient disclosure of rights and obligations. Most consumers do not carefully examine and understand the lengthy terms of service contracts which appear when using internet platforms and when subscribing to digital services or purchasing products. Consumer harm clauses appear in the agreements, which include mandatory arbitration clauses, unfair cancellation fees, and the waiver of consumer rights³⁵. The absence of complete knowledge about consent creates opportunities for businesses to take advantage of consumers, primarily in sectors including online streaming, digital finance, and e-commerce. Many consumers implicitly accept subscription renewals, additional charges, and stringent refunds, resulting in disadvantages when problems occur. Customers encounter unforeseen costs because pricing and service delivery conditions remain unclear, which results in a total lack of options for them besides accepting those costs or receiving inadequate service. The digital space has become troubled by the rising popularity of dark patterns, which are graphical tactics that force customers to make decisions against their natural inclination. Various websites alongside mobile platforms frequently create challenges for subscribers to end their subscriptions and force consumers into unnecessary purchases through deceptive promotional content. The digital economy faces additional challenges due to manipulative practices because the average consumer usually finds it difficult to detect these methods, amplifying uninformed consent and exploitation between consumers and digital platforms.

34 S K Roy and N Sen, 'Right to Repair: A Reflective Facet of Consumer Justice' (2023) 32 *Studia Iuridica Lublinensia* 2 <https://doi.org/10.17951/sil.2023.32.2.11-34>.

35 E E Frolova, 'Legal Regulation of Internet Banking in India' (2019) 23 *RUDN J of Law* 3 <https://doi.org/10.22363/2313-2337-2019-23-3-351-374>.

5.5. Limited Consumer Awareness and Education

The smooth implementation of consumer rights faces difficulties because many Indian consumers remain unaware of their rights and the legal courses available to address their issues. Indian rural consumers and other groups have minimal understanding of modern digital consumer safety laws, including the Consumer Protection Act 2019 and e-commerce and online conflict resolution provisions. A widespread deficit of consumer knowledge about their rights hinders individuals from exercising their rights when dealing with transaction fraud, service deficiencies, or unfair business conduct³⁶. The population segments across India remain under reached by consumer education programs executed through awareness campaigns and government initiatives. Several consumers lack the digital literacy needed to identify deceptive activities, and thus, they unknowingly participate in dangerous or unreliable online services.

6. Emerging Issues and the Role of Regulatory Bodies

India's rapidly expanding digital economy leads to vital difficulties in protecting consumer rights in digital interfaces. The present regulatory systems undergo continuous evaluation because of modern technological progress, business changes, and increasing consumer worries. Because of present circumstances, digital oversight functions and consumer defence operations need stronger regulatory body engagement. This part analyzes contemporary problems in digital consumer protection while discussing regulatory authority tasks regarding these matters³⁷.

6.1. Emerging Issues in Digital Consumer Protection

The expanding digital platform market generates new consumer pro-
36 V D Gaokar and K H Tundejwala, 'Cyber Crime in Online Banking' (2021) Int J Adv Res in Sci, Comm & Tech <https://doi.org/10.48175/ijar-sct-1659>.

37 A K Kashyap and M Chaudhary, 'Cyber Security Laws and Safety in E-commerce in India' (2023) 89 Law & Safety 2 <https://doi.org/10.32631/pb.2023.2.19>.

tection problems, which create specific difficulties during enforcement. The protection of consumer rights is inconsistent across digital commercial services since there exists no uniformity in operational practices across the system. Exclusive operations covering e-commerce, digital payments, and online entertainment feature multiple points that resist nationwide uniform rules for digital service regulation. Many sectors contain regulatory gaps because of consumer abuse by criminals who manipulate these gaps to make dispute resolution unclear for consumers.

The growing doubt about artificial intelligence (AI) algorithms used in digital services generates another regulatory difficulty³⁸. Artificial intelligence and algorithm systems operate in digital platforms and financial institutions to decide credit loans, evaluate customer creditworthiness, and suggest recommendations. The internal operations of digital algorithms remain unclear, thus producing difficulties for consumers in grasping procedures and making vital decisions about them. AI-powered automated systems cause people to doubt their fairness and increase accountability issues and operational bias, because of specific regulatory rules needed to protect consumer rights in these AI markets. People feel increasing privacy threats due to the implementation of IoT smart technology, and their data faces heightened security risks.

Customers lack comprehensive information about their personal data sharing by connected devices since smart home systems, wearable technology, and connected appliances collect extensive amounts of data. Data privacy threats target consumers because current clarity about data management remains unclear, thus allowing potentially dangerous data sharing or surveillance events to occur, which requires stronger data protection rules³⁹.

38 A Palanissamy and R Kesavamoorthy, 'Automated Dispute Resolution System (ADRS) - A Proposed Initial Framework for Digital Justice in Online Consumer Transactions in India' (2019) *Procedia Comput Sci* <https://doi.org/10.1016/j.procs.2020.01.087>.

39 N Dawar and A Chattopadhyay, 'Rethinking Marketing Programs for Emerging Markets' (2002) 35 *Long Range Planning* 5 [https://doi.org/10.1016/S0024-6301\(02\)00108-5](https://doi.org/10.1016/S0024-6301(02)00108-5).

6.2. The Role of Regulatory Bodies

Several regulatory bodies in India have intensified their protection strategies and regulatory actions for online platforms and digital consumers.

6.2.1. Reserve Bank of India (RBI)

Digital financial service protection in the Indian market receives its oversight from the central authority of the Reserve Bank of India (RBI). The Reserve Bank of India developed multiple management standards to oversee mobile wallets and digital payments and monitor mobile banking infrastructures through modern technological advancements. The Reserve Bank of India needs users to complete KYC verification, and it implements transaction limits when users operate through digital payment platforms. Standard payment gateway and digital banking service requirements at the RBI aim to establish data protection measures for secure transactions and maintain transaction security and fraud control. The RBI should uphold its core duty of overseeing payment platforms because it secures customers through system-wide trust and security maintenance.

6.2.2. Securities and Exchange Board of India (SEBI)

SEBI is the key entity for managing investment digital platforms while ensuring proper transparency through its regulatory framework. The regulatory power of SEBI remains essential since the rise of internet investment websites combined with financial technology solutions and crowdfunding platforms protects users from deceptive plans, market manipulation, and uncontrolled platforms. SEBI exercises authority through new regulations that monitor robo-advisors and algorithmic trading operations on digital platforms⁴⁰. The SEBI-established licensing requirements and strict disclosure rules enable investors to access truthful, easy-to-understand information that protects them from market-based consumer exploitation.

40 L A and A K S, 'SEBI: As a Regulator of Capital Market' (2023) 5 Int J for Multidisciplinary Res 4 <https://doi.org/10.36948/ijfmr.2023.v05i04.5617>.

SEBI implements warning processes and dependable help systems through its guidelines to protect investors from potential investment risks.

6.2.3. Central Consumer Protection Authority (CCPA)

As a key Indian body, the Central Consumer Protection Authority (CCPA) functions to defend consumer rights. The Consumer Protection Act of 2019 granted the CCPA the power to safeguard consumer rights in every industry sector, including digital operations. Under the guidance of the Central Consumer Protection Authority, e-commerce platforms need to implement both product disclosure requirements and easily comprehensible return systems and complaint-handling mechanisms according to the Consumer Protection (E-Commerce) Rules of 2020⁴¹. The Consumer Protection Act enables authorities to handle complaints about deceptive business tactics and digital promotions, as well as deceptive online advertisements and unfair trading practices. Under its enforcement powers, the authority can enforce penalties, require product recalls, and suspend platforms. The enforcement capabilities of the CCPA need development to monitor emerging digital consumer issues, which experts predict will become apparent in emerging market conditions.

6.2.4. Telecom Regulatory Authority of India (TRAI)

TRAI is a fundamental regulatory organization focusing on digital consumer protection, specifically for digital communications and mobile services. TRAI assumes an essential role in protecting consumers from unfair practices because mobile phones have become ubiquitous, along with mobile apps and internet services⁴². TRAI operates under guidelines that protect consumer rights by managing mobile prices, data protection regulations, and connection assets for fair customer experiences.

41 A Bhushan, 'Understanding of Information Technology Act for E-Governance in India' (2019) IIBM's J Mgmt <https://doi.org/10.33771/iibm.v4i1-2.138>.

42 A K, 'Critical Analysis: Interplay of E-commerce and Consumer Protection, in Conformity with International Standards' (2024) 6 Int J For Multidisciplinary Res 1.

<https://doi.org/10.36948/ijfmr.2024.v06i01.12841>.

TRAI establishes transparency and fairness within the digital services market through its digitalization function and delivers dependable information. Hence, consumers can make well-informed decisions about telecommunication and internet service choices.

6.3. Strengthening Regulatory Frameworks

Digital consumer protection in India has experienced recent progress in legal development, yet many unresolved issues persist. Modern laws fall short of managing the complicated market aspects brought about by AI, block chain, and IoT technologies. Regulatory protection should focus on modern technology monitoring through an active protocol. The laws need modernization to adopt new business methods and electronic services for effective consumer protection⁴³. A specific collaborative system should enable better institutional networking, and consumers must receive proper details about the available rights and resolution options. Protecting consumers effectively means regulators must create policies prioritizing consumer rights, specifying privacy rules, and providing fair treatment and transparent business practices. The growth of digital economies needs global organizations because international businesses merge their operations with worldwide data-sharing networks. The Indian regulatory bodies must develop domestic and international cooperative relationships to solve multi-national problems, including e-commerce operations, data protection issues, and fraud prevention challenges. Becoming part of global regulatory initiatives will protect Indian consumers from possible risks on international digital platforms⁴⁴.

43 D P Zongwe, G S Mahantesh and R Mamatha, 'The Economics of Repair: Fixing Planned Obsolescence by Activating the Right to Repair in India' (2023) 11 Int J on Consumer Law & Practice.

44 E E Frolova, 'Legal Regulation of Internet Banking in India' (2019) 23 RUDN J of Law 3 <https://doi.org/10.22363/2313-2337-2019-23-3-351-374>.

7. Recommendations for Strengthening Consumer Protection

India's economy needs robust consumer protection systems to handle the new challenges of digital transformation. This document presents thorough consumer protection guidelines and digital fairness standards.

7.1. Strengthening Data Protection Laws

The widespread growth of digital platforms is a significant concern because they compromise the security and privacy of personal data. Consumers need immediate protection from stronger privacy laws because the Personal Data Protection Bill (PDPB) should be formally approved now. The bill requires consent-based data acquisition, precise standards for data storage operations, and more severe penalties when data is exposed.

An independent regulatory authority needs to be established to supervise the implementation of these laws while giving consumers the right to view their data, make changes, and delete it. Implementing complete data protection legislation by India will guarantee consumer privacy within digital spaces.

7.2. Increasing Awareness

Customers face challenges with effective consumer protection in digital environments because they are unaware of their rights and online safety practices. Consumer awareness campaigns must be launched for two purposes: to teach the public about their digital rights, to instruct them about safe online practices, and to prevent scams and phishing. Different consumer segments, including rural populations, require education through combined social media strategies and television and community outreach programs⁴⁵.

45 H P H, 'Mobile Payment Service Adoption: Understanding Customers for an Application of Emerging Financial Technology' (2023) 31 Info & Comput Sec 2 <https://doi.org/10.1108/ICS-04-2022-0058>

The next generation of consumers requires digital literacy education, which should become a standard part of educational curriculums to teach how to use the digital marketplace sparingly.

7.3. Improved Enforcement

The Consumer Protection Act, 2019, the E-Commerce Rules, 2020 and other existing laws offer safety measures, but digital space enforcement mechanisms demand improvement for better effectiveness. The Central Consumer Protection Authority (CCPA) requires additional authority supported by necessary resources to conduct meaningful e-commerce platform monitoring and rapid consumer complaint management. Online consumers need well-defined procedures that allow them to report fraudulent activities, disputes, and unfair online practices. Implementing current laws enables digital businesses to receive appropriate accountability measures and consumers to obtain prompt solutions after rights violations⁴⁶.

7.4. Expanding Online Dispute Resolution (ODR)

The increasing volume of digital transactions has created more consumer disputes, but these disputes remain unsolved because current online dispute resolution systems are insufficient. Expanding ODR platforms enables consumers to obtain a speedy resolution of complaints at a reduced cost and efficiency that bypasses traditional court processes. The government should build ODR platform adoption through framework integration along with business benefits that will promote their implementation⁴⁷. A user-friendly, accessible, transparent design must be a standard feature of ODR platforms, which ensures consumers experience the ease of process navigation and obtain fair resolutions.

46 K Satyan, 'E-Commerce and Consumer Rights: Applicability of Consumer Protection Laws in Online Transactions in India' (2015) SSRN Electron J <https://doi.org/10.2139/ssrn.2626027>

47 H P H, 'Mobile Payment Service Adoption: Understanding Customers for an Application of Emerging Financial Technology' (2023) 31 Info & Comput Sec 2 <https://doi.org/10.1108/ICS-04-2022-0058>.

8. Conclusion

Consumer rights in India experience dual benefits and major obstacles from the advancing digital era. Consumer rights encounter increased dangers because India is implementing digitalization by expanding e-commerce platforms, mobile payments, and online services, which demand updated strong legal protection. Despite the passage of the Consumer Protection Act of 2019 and the Information Technology Act of 2000, progress has been moderate because India still faces important challenges, from data privacy threats, online fraud risks, and digital transaction complexity. Consumer data privacy protection requires strengthening existing laws, specifically through adopting the Personal Data Protection Bill. Enhancing online dispute resolution (ODR) systems and creating educational consumer awareness campaigns represent essential measures for protecting consumers and boosting their digital market safety.

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