



ROBUST CONSUMER PROTECTION LAW IN THE DIGITAL AGE - INDIA'S NEXT STEP

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Abstract:

Consumer protection refers to laws, regulations, and practices designed to ensure that the rights of consumers are safeguarded when purchasing goods and services. It aims to prevent businesses from engaging in fraud, unfair practices, or harmful behavior that could wrongly impact consumers. This research paper aims at understanding the awareness level of consumers in changing environment towards digitization. For this a sample of 103 consumers from Kalyan and Dombivli city was collected and analyzed.

Keywords: Consumer, Protection, Digital, data privacy, cyber security.

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Introduction:

In the digital age, the rapid growth of technology and the internet has brought unprecedented opportunities and challenges for consumers worldwide. With the expansion of e-commerce, digital financial services, and the increasing reliance on online platforms, consumers are exposed to new risks, ranging from data breaches to deceptive business practices. In India, where internet penetration and digital transactions have surged in recent years, there is a growing need to establish robust consumer protection mechanisms that can effectively address the complexities of the digital marketplace.

The digital age has brought many benefits, but it also creates several challenges in terms of consumer protection:

1. Online Shopping (Fraud and Scams, Lack of Transparency, Delivery Issues)
2. Data Privacy (Personal Data Exploitation,

Cybersecurity Risks, lack of awareness)

3. Digital Services (Unclear Terms and Conditions, Consumer Lock-In, service Interruptions)

As the digital ecosystem evolves, existing consumer protection laws often struggle to keep pace with emerging issues, creating a gap in legal safeguards for consumers. India, home to one of the largest and most dynamic digital markets, has witnessed several instances where consumers have faced exploitation due to the lack of a comprehensive and updated legal framework. From online fraud to misleading advertising and privacy violations, these challenges calls for the urgency for stronger consumer protection laws customised to the digital age.

This paper explores the need for a robust consumer protection law in India, specifically designed to address the unique challenges posed by digital commerce.



Case studies:

1. Sri Satyendranath Basu Roy Choudhury vs The Ceo, Religare Health Insurance

The C.P. Act was enacted a long time back and contemporary Information and Communication Technology related disputes and dispute resolution mechanisms were well beyond Parliaments contemplation at that time. Keeping in mind that the issue of territorial jurisdiction has been a recurring source of trouble in online shopping related complaints, amendment of the Consumer Protection Act, 1986 is called for to clear the air in respect of complaints, where the financial transactions take place over internet from a consumers location. It would, therefore, perhaps be a step in the right direction if our Parliament steps in to bring suitable amendments in the Act in this regard. This would also lessen the burden on consumer forums, besides resolving an issue that is a major problem for consumers making online purchases. However, till such time as the legislators step in, consumers of course need judicial and quasi judicial clarity to clear the ambiguity with respect to territorial jurisdiction in complaints arising from online transactions. Providing this clarify will therefore also be one of our objectives while deciding this Appeal."

2. Amazon Seller Services Pvt Ltd vs Modicare Ltd & Ors:

The issue of this case was unauthorized listing and sale of Amway products on Amazon.

The court observed that E-commerce sites need to make sure that their activities follow the guidelines for legal business practices. Unauthorized sellers listing and selling products on e-commerce sites can lead to consumer deception. To safeguard the interest of consumer the court ordered websites such as Amazon and Flipkart to establish more stringent screening procedures for product listings.

This case brought attention to the necessity of e-commerce platforms being held accountable to guarantee the legitimacy of products sold and protect customers.

From above two Case Laws it is vital that digital marketing and consumer protection is very important and it is necessary to update the Consumer Law as per the changing scenario.

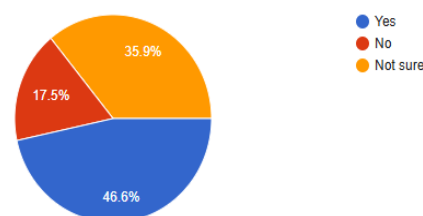
Research Objectives:

1. Understand consumer behaviour in digital economy.
2. Examine the impact of digital transformation on consumer rights.
3. Identify legal protections for Digital consumers against cyber crime.

Data analysis:

In your opinion, do current consumer protection laws in India address the concerns of digital consumers effectively?

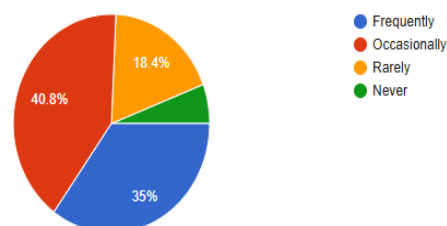
103 responses



Many respondents (17.5% + 35.9%) think there is lack of effectiveness for addressing the issues with digital consumer laws in India.

How often do you make purchases or interact with services online (e-commerce, apps, etc.)?

103 responses

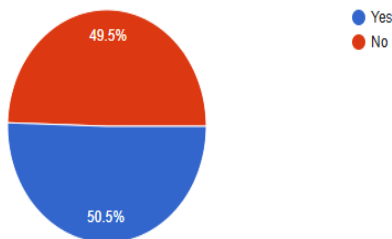


From data it is evident that many respondents are regular buyers through online services.



Have you ever faced issues (e.g., fraud, product defects, delivery delays) while shopping online?

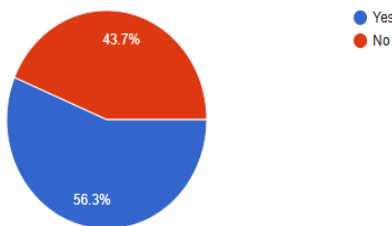
103 responses



More than 50% of respondents face many issues while shopping online.

Have you ever faced challenges in getting a refund or return for an online purchase?

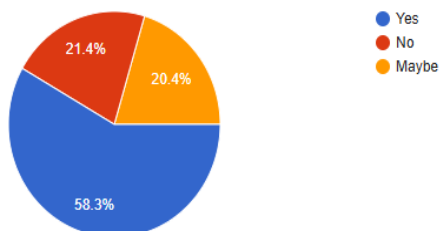
103 responses



More than 56% of respondents face issues relating to refunds or returns through online shopping.

Are you concerned about your personal data being misused while shopping online or using digital services?

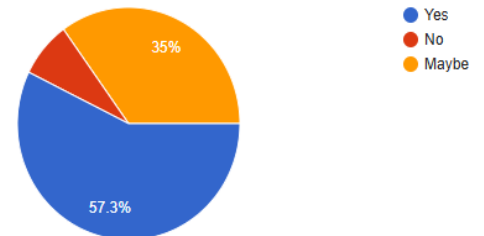
103 responses



From above chart it is clear that many of the respondents are worried about their personal data may be misused by various companies and organisations when they share information.

Do you foresee an increase in digital consumer disputes in the future?

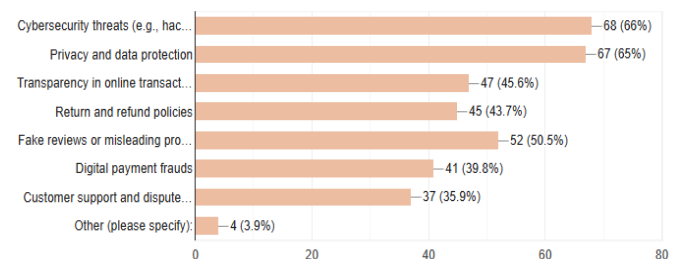
103 responses



It is evident that many respondents are concerned with future of the Consumers in Digital Era,

What specific issues do you think need more attention in digital consumer protection? (Check all that apply)

103 responses



The above survey show that many of the respondents are aware that many issues such as Cyber security threats, privacy and data protection, transparency, accountability, return and refund policy, fake reviews, digital payment frauds, etc. need attention pertaining to Digital Consumer Protection

Recommendations:

In the digital age, privacy and data protection are some of the most pressing challenges in consumer protection. As consumers increasingly engage in online transactions, sharing personal information and using digital services, ensuring their privacy and safeguarding their data has become more complex and critical.

Several key regulations and legal frameworks have been established globally to protect consumer privacy and data in the digital age. These laws and regulations aim to ensure that companies handle personal data



responsibly and that consumers have rights over their own information.

Recommendations for Strengthening Consumer Protection in the Digital Age

Below are some recommendations for improving consumer protection, particularly in current condition:

1. Create Comprehensive and Global Data Protection Laws

- **Unified Framework:** There should be efforts to create a **global data protection standard** that aligns with existing regulations like the **General Data Protection Regulation (GDPR)** in the EU.
- **Data Portability:** Consumers should have the **right to access, transfer, and delete their personal data** held by companies. This would empower consumers to take control of their digital identities and limit the data shared with businesses.
- **Transparency in Data Use:** Companies should be required to provide **clear and simple** information regarding how they collect, store, and use consumer data. **Consent mechanisms** should be easily understandable.

2. Improve Consumer Education and Awareness

- **Digital Literacy Programs:** Governments, industry groups, and NGOs should invest in **digital literacy initiatives** to ensure that consumers, particularly vulnerable populations (e.g., elderly, children, low-income groups), understand the risks associated with digital platforms and know their rights under current laws.
- **Simplify Terms and Conditions:** Companies should be required to provide **simplified and understandable terms and conditions** for digital services, ensuring that consumers can easily navigate privacy policies, understand

data-sharing practices, and be informed about their rights.

- **Public Awareness Campaigns:** Governments should organize **public awareness campaigns** to inform consumers about the **dangers of online fraud**, the importance of data privacy, and how to protect themselves from cyber threats.

3. Strengthen Cybersecurity and Consumer Data Protection

- **Mandatory Cybersecurity Standards:** Governments should implement **national cybersecurity frameworks** that set minimum standards for **data encryption, multi-factor authentication, and regular audits** to protect consumer data from breaches and theft.
- **Consumer Compensation:** Legislation should ensure that consumers are **compensated** for any financial losses or harm resulting from data breaches, cybersecurity failures, or other digital risks, particularly where companies are found negligent.

4. Create Clear Guidelines for Consumer Redressal in Digital Markets

- **Access to Justice:** Ensure that consumers have accessible and affordable means to pursue justice when their rights are violated. This may include creating **online dispute resolution platforms** and enforcing **class action rights** for consumers harmed by unfair business practices in the digital space.
- **Strengthening Consumer Agencies:** Empower consumer protection agencies to effectively monitor and enforce consumer rights in digital markets, ensuring businesses comply with consumer protection laws.

Conclusion:

While online platforms offer unprecedented access to goods and services, they also create novel risks that



necessitate robust consumer protection measures. To safeguard consumer interests in the digital age, a responsibility must be shared between Government, Business and Consumer. It is essential to modernize consumer protection laws. This can be achieved by focusing on issues such as **data privacy, ethical technology use, cybersecurity, and consumer education**, while also ensuring that clear, consistent, and fair regulations govern emerging technologies like AI, blockchain, and the gig economy. Strengthening international cooperation, consumer rights in digital transactions and cross-border protection mechanisms will also be crucial in ensuring that consumers remain well-protected as digital and technological landscapes continue to evolve.

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