

**CONSUMER PROTECTION WITH SPECIAL REFERENCE TO E-COMMERCE
FRAUD VICTIMS: IMPACTS, RIGHTS & RESERVATIONS**

Ms. Sakshi

Research Scholar,

Jayoti Vidyapeeth Women's University, Jaipur

sakshisindhvani7@gmail.com

Dr. Beena Dewan

Director, Faculty of Law and Governance

Jayoti Vidyapeeth Women's University

drbeena@jvwu.ac.in

Ms. Bhumika Dasoar

Research Scholar

Jayoti Vidyapeeth Women's University, Jaipur

bhumika.dasoar21@gmail.com

INTRODUCTION

In the world in which we are living in there, the Internet all over the world has become a useful marketing tool since it transitioned into a globally connected network, serving as a platform for national and international transactions. In today's world, everyone is busy in their own lives and the easy solution is "shopping online". There has been a huge shift in the way customers shop during the pandemic. There are various new procurement initiatives that not only bring a large number and variety of goods to potential consumers but also provide a wide range of businesses and a large market.

The approach of "information and communication technology" has an impact on people's lives, and the purchase and sale of goods and services are no exception. There is the advent of information technology as Internet has helped to facilitate and have new technologies such as electronic money transfer, and electronic data exchange, and it has evolved into business transactions enabled by information technology called "E-Commerce". E-Commerce is simply a division of E-Commerce, specifically the business aspect of E-Commerce. The growth of the world is improving as with the increased use of the internet it has developed many things and also there is a rapid adoption as there is a growth in the establishment and also the activities have commercialized as there is an improvement in the activities of businesses and their trade system (From 16 million Internet users in December 1995 to 2280 million Internet users).

In the context of the Internet, E-Commerce means conducting commercial activities through an electronic medium. If we define the word "E-Commerce" it can be termed and defined as by electronic means there is buying or selling a product such as through the Internet or other computer networks. If we compare various types of shopping then E-Commerce has developed

very quickly because online shopping has many advantages due to easier transactions and lower costs. To make life easier, people can purchase things more easily and faster, have more alternatives, and order different products or services at lower prices. In E-Commerce transactions, there is a development of many technologies which include supply chain management, transferring money electronically, Internet banking, electronic data exchange, online transaction interchange and collection systems. automatic data. The world wide web has developed so much as it includes such technologies which are used in our day-to-day life and also which has made the life easier and these are the cell phones, telephones and email these are typically used by modern commerce at least at some point of time in the transaction lifecycle.

E-Commerce has many advantages because, on the one hand, it has lower costs, higher profits for the company, lower costs, better costs for customers, quick and comparable purchases, knowledge market, etc, but also if we see on the other side, there are more and more use of the internet it has limitations as many challenges have been presented while using the E-Commerce. If we see customer relations and deal with them there will be a lack of loyalty and risk of violating the diversity of consumer rights in E-Commerce.¹

Consumer safety in E-trade transactions is extraordinarily crucial as there are numerous demanding situations in carrying out e-trade transactions. Protecting the consumer is the primary goal and while addressing their problem if it is not properly addressed with all the proper steps and mechanisms then it may lead to the loss of fair competition and the right information to the customers in the market and which results in the fraud and deception of consumers while doing their dealings in such online transactions. Therefore, protecting such victims from fraud has become more essential in the present time.

E-COMMERCE AND ITS DIFFERENT TYPES

The term “Electronic Commerce” means there is an interaction of two or more entities by using electronic such as through e-mail also there is a meeting of one person with an electronic agent such as an online program, and also there is cooperation between two or more electronic agents which is made to learn and know the concept of the contract which is called Electronic Commerce or E-Contract. In the electronic contract, there are some principles of traditional and remedial contracts which generally apply to them. In the transaction of E-Commerce, the term Electronic Contract is an effective design of the contract which uses drafting and negotiation tools and includes other related services for consumers and businesses. There is a need of applying commercial contractual policies and it can be done by helping citizens in e-business forms. There is also a provision for the sale of electronic goods and services to people who are the consumers and which includes sample contracts for them.²

¹There are many rights which generally include the liberty to privacy, the liberty to information, the liberty to get adequate information about the product etc.

²<http://www.legalservicesindia.com/article/1943>

If we discuss the case, *Trimex International FZE vs. Vedanta Aluminium Limited, India 2010*, the legal term of not registered and not signed contracts negotiated by email and confirmed the viability of electronic contracts are upheld by the Supreme Court of India.³

Types of Online Contract

1. Click wrap contract: – Acceptance by the Active Party is achieved in the Contract by selecting the given tab i.e. "I Accept" and also by clicking on the scroll box which helps the party to see and get the terms and other conditions while proceeding further for the contract.
2. Browse wrap contract: – In the browsewrap contract, while using or by browsing the page the negotiating party is bound by the terms given in it.⁴
3. Shrink wrap contract: – Shrink wrap contracts are the original agreements or other terms and conditions that accompany a product. When the customer uses the product it means it has been accepted and determined by them.

CONSUMER PROTECTION: MEANING, NEED AND SIGNIFICANCE

In general, the meaning of consumer protection means protecting consumers from the unfair trade practices which are being nowadays. The main motive to protect the consumer is to avoid exploiting consumers in business and to limit various abusive business practices discussed in *Raghubir Singh v. Thakurain Sukhraj Kaur*.⁵ Consumers are easily exploited by commercial organizations as the name of the commercial organization has raised so much due to its good organization of things, and also due to the reason that it has a better name and position in the market. Therefore, the victims affected by these organizations must be protected and consumers protected by consumer protection.⁶

In order to have smooth ongoing things, the most wanted thing is the consumer's protection by protecting buyers from sellers and ensuring fair global standards and sustainable growth of the Indian economy. There is a need to have protection from the unfair trade practices for the consumers in the time of globalization, industrialization and liberalization as the consumers were very easily deceived by the people. In modern times, consumers were given huge respect and are considered kings as he is the only person who feeds people. On the other side, the concept of consumer trust is no longer questionable, as in reality consumers are constantly being robbed. It is part of the market and is at a disadvantage because its rights have not been strengthened.

³ <https://lawbhoomi.com/are-contracts-legal-in-india>

⁴ <https://www.mondaq.com/india/contracts-and-commercial-law/348334/commerce-india>

⁵ AIR 1939.

⁶ *Indian Oil Corporation v/s The Consumer Protection Council, 1993*

RIGHTS OF CONSUMERS

United Nation in their “UN Guidelines for Consumer Protection” has recognized certain rights for the consumers. There are some important consumer rights which are recognized worldwide, as if we see the concept of "Ubi jus ibiremedium",it is commercial for unfair trade practices in the commercial organizations. Consumer rights in the market need to be legislated⁷.

1. The right to basic needs:Now it is the most important thing as to get access to essential basic goods and services as to get enough food to eat, cloth to wear, a house to live, education to live freely, utilities, water to drink and sanitation for the healthy environment;
2. The Liberty of gettingSafety:There is a need to protect health and life against the dangers of products, production processes and services,
3. The Liberty to be informed about the product:Consumers have the choice and liberty to get choices for which they are dealing and there is a need to have protection from all the deceitful and untruthful advertising;
4. The Liberty to choose:The consumers should have the right to choose among products and services offered atcompetitive prices with satisfactory quality assurance;
5. The right to be heard:The interest of consumers is to be heard so as to have the development and implementation of the government policies and the development of products and services;
6. The liberty to be redressed:Getting a fair settlement is a right of every consumer to receive which means getting compensation for misrepresentation done with them, shoddy products or unsatisfactory service with which they are not satisfied;
7. The right to consumer education:Every consumer should have the right to get the education or the knowledge about the product in which they are dealing and also which is necessary to know while determining that consumer rights and responsibilities and also by this they will get more confidence to make decision-related to the products and services
8. The liberty to a healthy living environment:Every consumer has the liberty to live in healthy living and to Live and work so that it does not endanger the well-being of the current and upcoming future.

⁷ Sec 6 Indian Consumer Protection Act, 1986.

CONSUMER PROTECTION ISSUES UNDER E-CONTRACTS

In electronic contracts, there is very less bargaining power which consumers have. In the commercial market, customer status and loyalty are both strong and equal. There is an issue that many consumers are not considered equal in value while doing electronic contracts. If a dispute arises, then while going through the terms and conditions of the Internet agreement which the parties have made the court favour that only, and customers have a right in this as even if the case is settled, they are least protected from lawsuits.⁸ The issues related to consumer protection are rising and also there is a rise in customer rights which was enacted in the Consumer Rights Act 1986 and also it is resulting in the rise of business structure.

E-COMMERCE FRAUD

The fraud of E-Commerce is an illegal transaction carried out by criminals or fraudsters who while doing online transactions use stolen payment information without the real account holder's knowledge and it is also known as purchase fraud. The fraud can be done using a fake girlfriend ID, stolen credit card, fake card details, fake personal and card information, etc.

Reasons for Online Fraud Taking Place

In the present time, the E-Commerce industry is getting developed very much and there is a rise in payment methods such as debit or credit cards, there is also an option of online payment solutions which are directly related to the increase in fraud. In recent years, the number of E-Commerce scams has grown rapidly and is still increasing, with online scam rates doubling E-Commerce sales.

Every year, the chargeback rate increases by almost 20%. There is an increase in the number of online shopping scams which is registered in the National Consumer Helpline which has increased about six times from 977 in 2017 to 5,620 in 2008 by November 2019, and the number since 2017 is 13,993.

Needless to say, E-Commerce frauds are flooding for numerous reasons. Here are a number of them:

- The faraway running state of affairs can assist boom income and distribution fraud.
- Counterfeit and broken merchandise may be installed in distribution to fulfil the extended demand.
- Third-party vendors and resales and their interests also conflict among themselves.
- Tampering with stock management.

⁸OPERATIONAL ASPECTS OF E-CONTRACTS: A CRITICAL STUDY, 11(10), INTERNATIONAL JOURNAL OF MANAGEMENT (2020)

- Cyber fraud
- Hiring unethical personnel without doing a right historical past check.

Types of E-Commerce Frauds:

1. Identify Theft:

Theft of personal information or fraudulent personal information occurs when fraudsters acquire and use personally identifiable financial information. This is a kind of illegal spoofing. This is unauthorized use of personal and financial information. This scam affects sellers as well as customers, as customers can request refunds. Customers may find that their personal and financial information is at risk and cannot be shared on E-Commerce sites or that the web store is unlikely to check out. This can damage the reputation of your business.

2. Chargeback Fraud

This is also known as a friendly scam. In this type of scam, the customer retains the goods/products purchased online from the E-Commerce store, but refunds, stating that no purchase was made, two payments were made, or the goods were not received. Request. Estore's clear refund, resend, tracking and returns policies will help reduce this "friendly" scam.

3. Clean Fraud

The stolen card and cardholder records used to dedicate the fraud looks as if a valid buy was made with the aid of using demonstrated customers.

4. Phishing

Phishing collects personal information of genuine users such as user IDs, card numbers, passwords and other credit card information via fraudulent SMS or email and purchases it illegally or without the knowledge of the real owner. Used in this type, users typically receive SMS or email and request fake links to install personal information or malware to retrieve that personal information. Fraudsters generally pretend to be a trusted company or source requesting such information.

5. Triangulation Fraud

In triangulation fraud, there is a creation of a fake online store by the scammer that offers goods/products at low prices. Then there is a collection of credit card information from this

online store that visits the website. At the time of placing the order, the scammer used the stolen credit card information to order the product from the actual website/retailer and ship the product to the customer.

CONSUMER PROTECTION AND E-COMMERCE

As you know, the way businesses and consumers, especially companies, including information and communication technology, are abused by society has changed their way of business completely and are abused by society. With the advent of E-Commerce, commerce is being revolutionized by technology. Well, if we look at the use of the internet, with E-Commerce and the use of computers, business transactions on the global platform have reached new heights.

In today's era, the growth of technology is increasing to such great massive extent and there is also an increase in the growth of business ventures due to the impacts and development of new technology in the world of E-Commerce which also leads to great growth in the area of social, such as protection of data, data breaches and consumer protection and numerous challenges and conflicts with different segments of personal interests.

CHALLENGES IN E-COMMERCE FACED BY CONSUMER

Buying and selling of goods and services now has become easier with the advent growth of E-Commerce which has led to repositioning and easier for consumers in the marketplace but if we see the other side, it creates many threats and challenges to consumers all over the world. E-Commerce offers many opportunities and benefits for businesses and consumers, including:⁹

- A) More choices and better access
- B) Improve service quality and competitiveness
- C) Personalized merchandise and services
- D) It is more Cost effective

In order to have consumer safety in E-Commerce, there are some important consumer concerns. These are:

1. Confidentiality of all information provided by consumers.
2. Effective complaint system and relief in case of problems.
3. Unsafe product.
4. Giving protection to consumers from the highly competitive market which is selling the same product at different prices to different people

⁹<http://www.ec.gc.ca/Publications/>

LEGAL PROTECTION FOR CONSUMERS WITH SPECIAL REFERENCE TO E-COMMERCE TRANSACTION FRAUDS

E-Commerce has developed a lot in the world with the rise of new and new technologies in recent times. It is argued that on the one hand, there are many pros of E-Commerce to consumers, but seeing the cons then there are many hurdles to the protection of consumers, and because of this, it has many advantages. can affect consumers' interest and willingness to do an E-Commerce transaction and also, and it can also hinder the development of E-Commerce. Therefore, it is necessary to have rules and regulations to protect the consumer in E-Commerce transactions, to protect consumers and also build consumer trust in these E-Commerce transactions.

As there is growth in the E-Commerce industry, it is necessary to balance the advantages and disadvantages of each system so that companies can benefit from it. In E-Commerce transactions, to protect the consumer interests it is necessary to solve the problem of cracks, there is an opinion that the role of the law to protect the interests of consumers needs to "adjust market practices" and the practice of monitoring the painful consequences of consumer protection violations to ensure necessary consumer protection in the face of the evolving E-Commerce market".¹⁰

In E-Commerce transactions, sometimes there is no fair play by the seller side and there are many strategies and practices which disturb the customer and also violate the basic need of the protection of the consumer and which is decreasing the development in the E-Commerce market and its transactions.

IMPACT OF ONLINE SALES EXPERIENCE ON VICTIMS

Financial Impact: The financial impact on each victim varies by depending on the value of money lost, the financial situation of the victim and the resources available to them to cover the loss or write-off. Some victims said the financial loss had only a minor impact.

Social Impact: An individual's behaviour is often correlated with their social or peer relationships. In online shopping, it will lead users to buy products similar to those bought by their friends. A friend can encourage users in purchasing the same product, for example by strongly recommending it.

¹⁰Consumer Law and Policies given in Text and Materials on Regulating Consumer Markets

CONSUMER PROTECTION ACT 1986: THE INDIAN PERSPECTIVE AND E-COMMERCE

The Consumer Protection Act 1986 was enacted by The Parliament of India with the aim by "providing the best protection in interests of consumers and also providing them with the establishment of consumer councils and also for the consumers there will be other authorities to regulate consumer disputes and matters relating thereto. The Consumer Protection Act 1986 in Indian Scenario, provides for the promotion and protection of the consumer basic rights:¹¹

- (i) Right to Safety
- (ii) Right to Information
- (iii) Right to Choose
- (iv) Right to be heard
- (v) Right to seek redressal
- (vi) Right to consumer education

The objective of protecting the interests of consumers is provided in the Consumer Protection Act, 1986 and therefore it is necessary to make provisions for the arising of consumer disputes.

With the development and arrival of E-Commerce technologies, there are many easiest way to be achieved as there are quick and easy business transactions on the web portal; and if seeing it to the other side then there are many challenges to the protection of the interests of various consumers, such as misrepresentation of goods and services in remote contracts, privacy issues consumer privacy and information security, copyright and trademark issues, standard contractual issues, legal issues in disputes arising from E-Commerce transactions, and more.

There is a need to protect consumer rights in E-Commerce transactions and by seeing to the general laws it can be seen in the following basic rights:

1. The Consumer Protection Act 1986 fails on achieving certain rights:

- i. getting and achieving basic needs and
- ii. the get fully and effectively internationally recognized healthy environment.

2. The main goal of the Indian Consumer Protection Act is to give protection and promote rights of consumers in day-to-day E-Commerce transactions and what other international standards do is that it just gives the rights to the customer but this is not leading to any development as promotion and protection of consumer law in the area of consumer rights.

¹¹ Sec 6 of India Consumer Protection Act, 1986.

3. In E-Commerce transactions of the Consumer Protection Act, 1986, it does not include provisions specific to the consumer protection challenges but also consumer protection provides basic and all-purpose applications to the consumers.

CONSUMER PROTECTION ACT 2000 AND INFORMATION TECHNOLOGY ACT

In an E-Commerce transaction, there are various concerns of the consumers about consumer protection while conducting a commercial transaction through electronic means. There are some issues related to Consumer Protection in E-Commerce transactions which can be discussed as follows:

1. The Information Technology Act of 2000 was enacted to solve any challenges that may hinder E-Commerce transactions and to facilitate E-Business transactions and, however, the reason is issues which are related to consumer protection in E-Commerce transactions are not addressed by the Information technology Act but in to protect the consumer in E-Commerce it has several provisions that reflect a consumer-centric approach and its basic rights.
2. Dangerous Products: There are no provisions in the Technology Act 2000 which impose any condition on E-Commerce companies to ensure the safety of the products they sell in the E-Commerce marketplace.
3. Seller's identity: In Article 66D, in IT Act 2000, it does not require a seller to disclose his or her identity to a consumer but it also tells that if the seller deceives the buyer by impersonating another person or entity then a seller can be sentenced to prison for either description of up to three years and is also liable for a fine up to one thousand rupees.
4. Consumer's information remains Confidential in E-Commerce transactions: In the IT Act 2000, Sections 72¹² and 72A¹³ deal with penalties for violations of consumer information which is being provided by them and private investment, but the application is very less in this Act as in this article it is not reasonable to prove profit or gain.
5. Protection against the adverse effects of a highly competitive market: The Information Technology Act 2000 is unregulated as it prevents the businesses electronically from being selling the same product at different prices to different customers. Therefore, to have effective working in E-Commerce transactions there is no need to stick to a particular price for the same product which is being sold to the consumer as this will violate the consumer protection which they have in E-Commerce.
6. Products to be delivered in appropriate area and time: In the IT Act, 2000 this provision of getting it delivered is likely absent and this needs to be changed for the best result and contract treatment so that everything is perfect and also the protection is there on the consumer side.
- 7.

¹² Breach of the right of confidentiality and privacy and the penalty for non-compliance

¹³ Punishment for Weights and Measures Act, 1976

CONCLUSION

The effects of the online selling experience on victims, in addition to the stress they experience, fall into two categories i.e., financial and social impact. The term “financial impact” means that due to the reason of bad online selling experience the total amount of money which is being profited is lost. In contrast, social impact speaks to the buyer's behaviour towards buying products online. Due to a bad experience, consumers become warier when they first examine a product carefully, while also considering the opinions of other consumers before making a purchase.

Victims have become security-conscious by preferring "cash on delivery" as a method of payment. This forms their defence mechanism to deal with being victimized by them. They emphasize physical payment for products, rather than using an online payment system due to the traumatic experience. Also, they check the legitimacy of the store to make sure that what they are going to buy is legit and quality.

As India's legal position paints a clear picture and gives a critical analysis that Section 4 under the Consumer Protection Act, 1986, 66A of the Computer (Hacking) Act 2008, and Section 72A of (Privacy and Security of Information) it gives and addresses consumer protection issues which arise in E-Commerce transactions but seeing on the other side, these terms are generally dispersed as they are not properly figurative and due to these reasons only for the customers while conducting E-Commerce transactions, they are not given legal protection and they do not enjoy such business while dealing with them. It is also seen that it is affecting consumers' interest as these issues are not addressed properly and satisfactory this is giving a negative effect on the growth of the commercial business.

SUGGESTIONS

1. There is a need of protecting the interests of the consumer i.e. of the buyer and the seller from the risk of becoming a victim and therefore an additional safeguard mechanism is needed for them.
2. There should be constantly improving the services of online sellers so that the store maintains its reputation and is trusted by consumers.
3. This simple representation of consumer rights in the law is not enough; The urgent need is to get involved in consumer perception and take it seriously in every forum to understand it.
4. Complaint and resolution procedures and dispute resolution mechanisms between consumers and suppliers regarding E-Commerce transactions may be modified/revised as appropriate to make them more user-friendly than consumers.

Therefore, in the application of the above-mentioned principles, there is an enhancement in consumer rights as they are getting proper protection in E-Commerce transactions of which the trend has increased so much and also it ensures the protection of fundamental consumer rights and interests but also accelerate the development of the E-Commerce market.

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