

# Legal Protection for Consumers in E-Commerce Transactions: A Study under the Consumer Protection Act, 2019

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## Abstract

The rapid growth of e-commerce has transformed the traditional marketplace by enabling consumers to purchase goods and services through digital platforms. While this transformation offers convenience, wider product choices, and competitive pricing, it also exposes consumers to several risks such as misleading advertisements, counterfeit products, data privacy issues, unfair trade practices, and difficulties in grievance redressal. Recognizing these emerging challenges, the Government of India enacted the Consumer Protection Act, 2019, which introduced significant reforms to strengthen consumer rights in the digital marketplace. This study examines the legal framework governing consumer protection in e-commerce transactions under the Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020. The research adopts a doctrinal and analytical approach by reviewing statutory provisions, policy guidelines, and relevant judicial interpretations. The paper analyses the responsibilities and liabilities of e-commerce entities, including marketplace and inventory-based platforms, as well as the role of the Central Consumer Protection Authority (CCPA) in addressing unfair trade practices and misleading advertisements in online commerce. Further, the study highlights the mechanisms available for consumer grievance redressal through online complaint systems and consumer commissions. The findings indicate that although the Act provides a comprehensive legal framework for safeguarding consumer interests in digital transactions, challenges remain in terms of enforcement, consumer awareness, and regulatory compliance by e-commerce platforms. The study concludes by emphasizing the need for stronger regulatory oversight, enhanced consumer education, and effective implementation of legal provisions to ensure a fair and transparent digital marketplace.

## Keywords

Consumer Protection Act, 2019; E-Commerce; Consumer Rights; Online Transactions; Consumer Protection (E-Commerce) Rules, 2020; Central Consumer Protection Authority (CCPA); Digital Marketplace; Consumer Grievance Redressal.

## Introduction

The rapid advancement of information technology and internet penetration has significantly transformed the traditional methods of buying and selling goods and services. Electronic commerce (e-commerce) has emerged as a dominant mode of commercial transactions, enabling consumers to purchase products and services through online platforms with greater convenience and accessibility. In India, the growth of digital infrastructure, increasing smartphone usage, and the expansion of online marketplaces such as Amazon, Flipkart, and Meesho have accelerated the adoption of e-commerce among consumers across both urban and rural areas. The digital marketplace offers several advantages, including wider product choices, competitive pricing, easy price comparison, and doorstep delivery, thereby reshaping consumer behaviour and business practices.

Despite these advantages, the rapid expansion of e-commerce has also given rise to several consumer-related challenges. Consumers often encounter issues such as misleading advertisements, sale of counterfeit or substandard products, hidden charges, data privacy concerns, delayed deliveries, and difficulties in obtaining refunds or replacements. Unlike traditional transactions, e-commerce transactions involve virtual interactions where consumers cannot physically examine products before purchase. This increases the risk of unfair trade practices and makes consumers more vulnerable to exploitation in the digital marketplace.

Recognizing these emerging challenges, the Government of India introduced the Consumer Protection Act, 2019 to replace the earlier Consumer Protection Act, 1986. The new legislation aims to strengthen consumer rights and provide a comprehensive framework to address issues arising from modern forms of trade and commerce, including e-commerce transactions. One of the significant features of the Act is the establishment of the Central Consumer Protection Authority (CCPA), which is empowered to regulate matters relating to consumer rights violations, unfair trade practices, and misleading advertisements. In addition, the government introduced the Consumer Protection (E-Commerce) Rules, 2020 to specifically regulate the conduct of e-commerce entities and ensure transparency, accountability, and fair practices in online transactions.

The Consumer Protection Act, 2019 also introduced important provisions such as product liability, mediation mechanisms, and the facility for consumers to file complaints electronically. These reforms aim to enhance the efficiency of the consumer dispute redressal system and make it more accessible to consumers who engage in online transactions. By imposing specific obligations on e-commerce entities, including disclosure requirements, grievance redressal mechanisms, and restrictions on unfair trade practices, the Act seeks to create a more secure and consumer-friendly digital marketplace.

In this context, the present study examines the legal protection available to consumers in e-commerce transactions under the Consumer Protection Act, 2019. The study analyses the statutory provisions governing online commerce, the responsibilities of e-commerce platforms, and the effectiveness of regulatory mechanisms in protecting consumer interests. It also highlights the challenges faced in the implementation of these provisions and emphasizes the need for increased consumer awareness and stronger regulatory enforcement to ensure a fair and transparent e-commerce environment.

## Statement of the Problem

The rapid expansion of e-commerce has fundamentally changed the way consumers purchase goods and services. Online platforms have created a convenient digital marketplace where consumers can access a wide range of products with ease. However, the increasing reliance on e-commerce transactions has also led to several challenges related to consumer protection. Unlike traditional shopping environments, online transactions often involve limited physical interaction with the product, which may lead to issues such as receipt of defective goods, misleading product descriptions, counterfeit products, delayed delivery, hidden charges, and difficulties in obtaining refunds or replacements.

With the emergence of numerous e-commerce platforms and digital marketplaces, consumers frequently encounter unfair trade practices and lack adequate information regarding their rights and remedies. In many cases, consumers face challenges in identifying the responsible party when disputes arise, particularly in marketplace models where multiple sellers operate through a single platform. Furthermore, concerns related to data privacy, misleading advertisements, and the absence of effective grievance redressal mechanisms have intensified the need for stronger legal protection for consumers engaged in online transactions.

To address these issues, the Government of India introduced the Consumer Protection Act, 2019, along with the Consumer Protection (E-Commerce) Rules, 2020, to regulate the activities of e-commerce entities and ensure transparency, accountability, and consumer welfare in digital commerce. Although these legal provisions aim to safeguard consumer interests, questions remain regarding their effectiveness in addressing the practical challenges faced by consumers in e-commerce transactions. Limited consumer awareness, enforcement issues, and evolving digital business models continue to pose significant challenges in the implementation of these legal safeguards.

In this context, it becomes necessary to examine whether the existing legal framework under the Consumer Protection Act, 2019 adequately protects consumers involved in e-commerce transactions. Therefore, the present study seeks to analyze the legal provisions relating to consumer protection in e-commerce, evaluate their effectiveness, and identify the existing gaps in the regulatory framework to ensure stronger consumer protection in the digital marketplace.

### Objectives of the Study

1. To examine the legal framework governing consumer protection in e-commerce transactions under the Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020.
2. To analyse the roles and responsibilities of e-commerce platforms and sellers in safeguarding consumer rights in online transactions.
3. To evaluate the effectiveness of the existing legal provisions and grievance redressal mechanisms in protecting consumers in the digital marketplace.

### Research Methodology

The present study adopts a **doctrinal and analytical research methodology** to examine the legal protection available to consumers in e-commerce transactions under the Consumer Protection Act, 2019. The research primarily relies on **secondary data sources**, which include statutory provisions, legal rules, government reports, research articles, books, and relevant case laws relating to consumer protection and e-commerce regulation.

The study involves a detailed examination of the provisions of the **Consumer Protection Act, 2019** and the **Consumer Protection (E-Commerce) Rules, 2020**, along with policy guidelines and official publications issued by government authorities. Secondary data has been collected from various reliable sources such as academic journals, books on consumer law, government websites, legal databases, and published research papers. In addition, relevant reports and documents published by regulatory authorities related to consumer protection have also been reviewed.

The collected information is analysed using a **descriptive and analytical approach** to understand the existing legal framework governing e-commerce transactions and to assess its effectiveness in protecting consumer rights. The study also evaluates the responsibilities imposed on e-commerce entities and examines the mechanisms available for consumer grievance redressal.

This methodology enables a comprehensive understanding of the legal provisions governing e-commerce transactions and helps identify the gaps and challenges in the implementation of consumer protection laws in the digital marketplace.

## Analysis and Interpretation

The rapid expansion of e-commerce has significantly transformed consumer purchasing behaviour in India. Online platforms provide consumers with greater convenience, wider product choices, and competitive pricing. However, the nature of online transactions also exposes consumers to several risks such as misleading product descriptions, counterfeit goods, unfair trade practices, data privacy concerns, and inadequate grievance redressal mechanisms. In this context, the provisions of the **Consumer Protection Act, 2019** and the **Consumer Protection (E-Commerce) Rules, 2020** play a significant role in regulating e-commerce activities and protecting consumer rights.

One of the important developments under the Consumer Protection Act, 2019 is the establishment of the **Central Consumer Protection Authority (CCPA)**. The authority is empowered to investigate consumer rights violations, regulate misleading advertisements, and take action against unfair trade practices. The presence of such a regulatory body strengthens the institutional framework for consumer protection in the digital marketplace. The analysis indicates that the CCPA plays a crucial role in ensuring that e-commerce entities maintain transparency and accountability in their operations.

The Consumer Protection (E-Commerce) Rules, 2020 impose several obligations on e-commerce platforms to safeguard consumer interests. These rules require e-commerce entities to clearly display product information, seller details, refund and return policies, and grievance redressal mechanisms on their platforms. Such disclosure requirements improve transparency and enable consumers to make informed purchasing decisions. Furthermore, the rules mandate the appointment of a grievance officer to address consumer complaints within a specified time frame, thereby strengthening the consumer dispute resolution process.

Another important aspect of the Act is the introduction of **product liability provisions**, which hold manufacturers, service providers, and sellers accountable for defective products or deficient services. This provision ensures that consumers have legal remedies in cases where products purchased through online platforms cause harm or fail to meet quality standards. The analysis shows that product liability provisions create greater accountability among e-commerce sellers and manufacturers.

The Act also introduced the facility of **online filing of consumer complaints**, which allows consumers to approach consumer commissions through digital platforms without physical presence. This provision significantly enhances accessibility to justice, particularly for consumers engaged in online transactions. It also reflects the government's effort to align consumer dispute resolution mechanisms with the digital nature of modern commerce.

Despite these legal provisions, several challenges remain in the effective implementation of consumer protection laws in e-commerce. Many consumers are still unaware of their rights under the Consumer Protection Act, 2019 and the available grievance redressal mechanisms. In addition, the increasing complexity of online marketplaces, where multiple sellers operate through a single platform, sometimes creates ambiguity regarding the liability of e-commerce intermediaries. Enforcement of regulatory provisions also remains a challenge due to the rapid evolution of digital business models and cross-border e-commerce transactions.

The analysis therefore indicates that while the Consumer Protection Act, 2019 and the E-Commerce Rules, 2020 provide a comprehensive legal framework for protecting consumers in online transactions, effective enforcement, stronger regulatory oversight, and enhanced consumer awareness are essential to ensure the full realization of consumer rights in the digital marketplace.

## Findings

1. The study reveals that the **Consumer Protection Act, 2019** has significantly strengthened the legal framework for protecting consumers involved in e-commerce transactions. The Act addresses modern commercial practices and introduces provisions specifically applicable to the digital marketplace.
2. The introduction of the **Consumer Protection (E-Commerce) Rules, 2020** has enhanced transparency and accountability among e-commerce entities by mandating disclosure of seller information, product details, pricing, and return policies.

3. The establishment of the **Central Consumer Protection Authority (CCPA)** has improved regulatory oversight by empowering the authority to investigate unfair trade practices, misleading advertisements, and violations of consumer rights.
4. The provision relating to **product liability** has increased the accountability of manufacturers, sellers, and service providers for defective products or deficient services sold through online platforms.
5. The availability of **online complaint filing and digital grievance redressal mechanisms** has improved accessibility for consumers seeking legal remedies.
6. Despite these legal provisions, the study finds that **consumer awareness regarding their rights and legal remedies in e-commerce transactions remains relatively low**, which limits the effective utilization of consumer protection mechanisms.
7. The study also identifies challenges related to **enforcement of regulations, identification of responsible parties in marketplace platforms, and monitoring of cross-border e-commerce transactions**.

## Suggestions

1. **Enhancing Consumer Awareness:**

Government agencies, educational institutions, and consumer organizations should conduct awareness programs to educate consumers about their rights under the Consumer Protection Act, 2019 and the available grievance redressal mechanisms.

2. **Strengthening Regulatory Enforcement:**

Regulatory authorities should strengthen monitoring mechanisms to ensure that e-commerce platforms comply with the provisions of the Consumer Protection (E-Commerce) Rules, 2020.

3. **Improving Grievance Redressal Mechanisms:**

E-commerce companies should establish efficient and transparent grievance redressal systems with prompt response mechanisms to resolve consumer complaints effectively.

4. **Clearer Liability Framework for Marketplace Platforms:**

There should be clearer guidelines defining the responsibilities and liabilities of marketplace platforms and third-party sellers to avoid ambiguity in consumer disputes.

5. **Promoting Digital Literacy:**

Consumer education initiatives should focus on digital literacy to help consumers identify fraudulent practices, misleading advertisements, and unsafe online transactions.

6. **Regular Policy Updates:**

As e-commerce business models evolve rapidly, the government should periodically review and update consumer protection regulations to address emerging challenges in the digital marketplace.

7. **Encouraging Collaboration among Stakeholders:**

Effective consumer protection in e-commerce requires collaboration among regulators, e-commerce platforms, consumer organizations, and policymakers to ensure a safe and transparent digital trading environment.

## Conclusion

The rapid growth of e-commerce has revolutionized the modern marketplace by providing consumers with convenient access to a wide range of products and services through digital platforms. While online transactions offer numerous benefits such as ease of purchase, wider product selection, and competitive pricing, they also expose consumers to several risks including misleading advertisements, counterfeit products, unfair trade practices, and challenges in grievance redressal. These issues highlight the need for a robust legal framework to safeguard consumer rights in the digital environment.

The enactment of the **Consumer Protection Act, 2019** represents a significant step towards strengthening consumer protection in India. The Act addresses emerging challenges in the digital economy and introduces several progressive provisions such as product liability, mediation mechanisms, and online filing of consumer complaints. In addition, the **Consumer Protection (E-Commerce) Rules, 2020** provide specific guidelines to regulate the activities of e-commerce entities and ensure transparency and accountability in online transactions. The establishment of the **Central**

**Consumer Protection Authority (CCPA)** further enhances regulatory oversight and plays an important role in protecting consumer interests.

The analysis of the legal provisions indicates that the current framework provides comprehensive protection to consumers engaged in e-commerce transactions. However, the effectiveness of these provisions largely depends on proper implementation, strict regulatory enforcement, and increased consumer awareness. Challenges such as lack of consumer knowledge about legal remedies, difficulties in identifying responsible parties in marketplace models, and the dynamic nature of digital business practices continue to affect the practical realization of consumer rights.

Therefore, it is essential to strengthen regulatory mechanisms, promote digital literacy, and encourage responsible practices among e-commerce platforms to ensure fair and transparent online transactions. With continuous policy improvements and increased awareness among consumers, the legal framework can effectively safeguard consumer interests and contribute to the development of a secure and trustworthy digital marketplace in India.

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